

PRINCIPLES  
OF  
POLITICAL ECONOMY.  
PART THE FIRST:

OF  
THE LAWS OF THE  
PRODUCTION AND DISTRIBUTION OF WEALTH.

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"All discord harmony not understood."—POPE.

"God hath made man upright, but they have sought out many inventions."—  
ECCLESIASTES.

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## ERRATA.

Page 21. The extract from Col. Torrens, in the note to this page, should have been as follows: "Wealth, considered as the object of economical science, consists of those material articles which are useful or desirable to man, and which it requires some portion of voluntary exertion to procure or preserve."—p. 1.

" 41, line 2, *for* "they were," *read* "it was."

" 62, last note, *for* 16, *read* 116.

" 90, note, *for* 58, *read* 61.

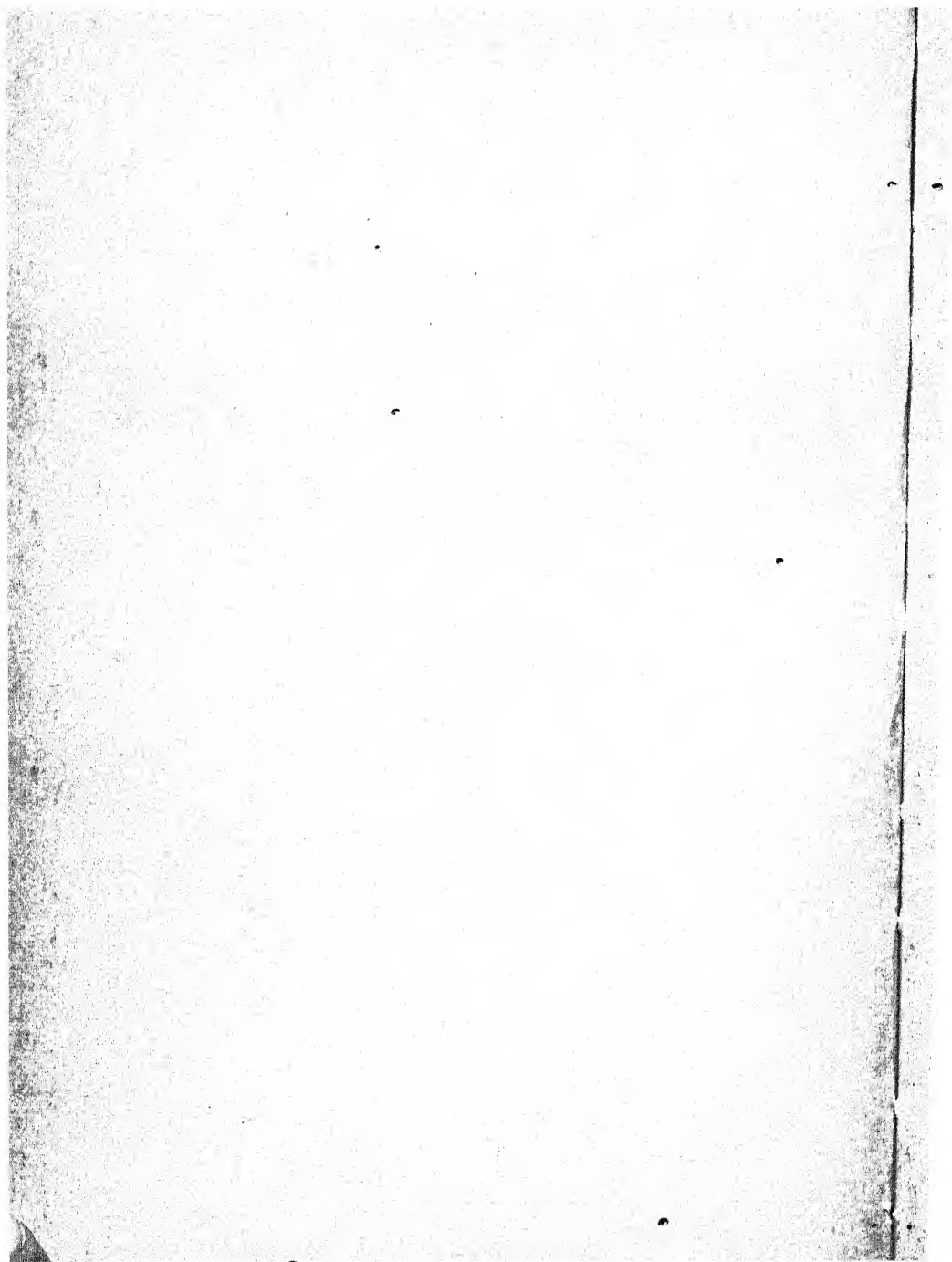
" 113, line 7 from foot, *for* "houses," *read* "horses."

" 172, " 2, *for* "doubled," *read* "almost doubled."

" 200, note, line 7 from foot, *for* "the demand," *read* "increase of the demand."

" 230, line 21, *for* "reduction," *read* "fall."

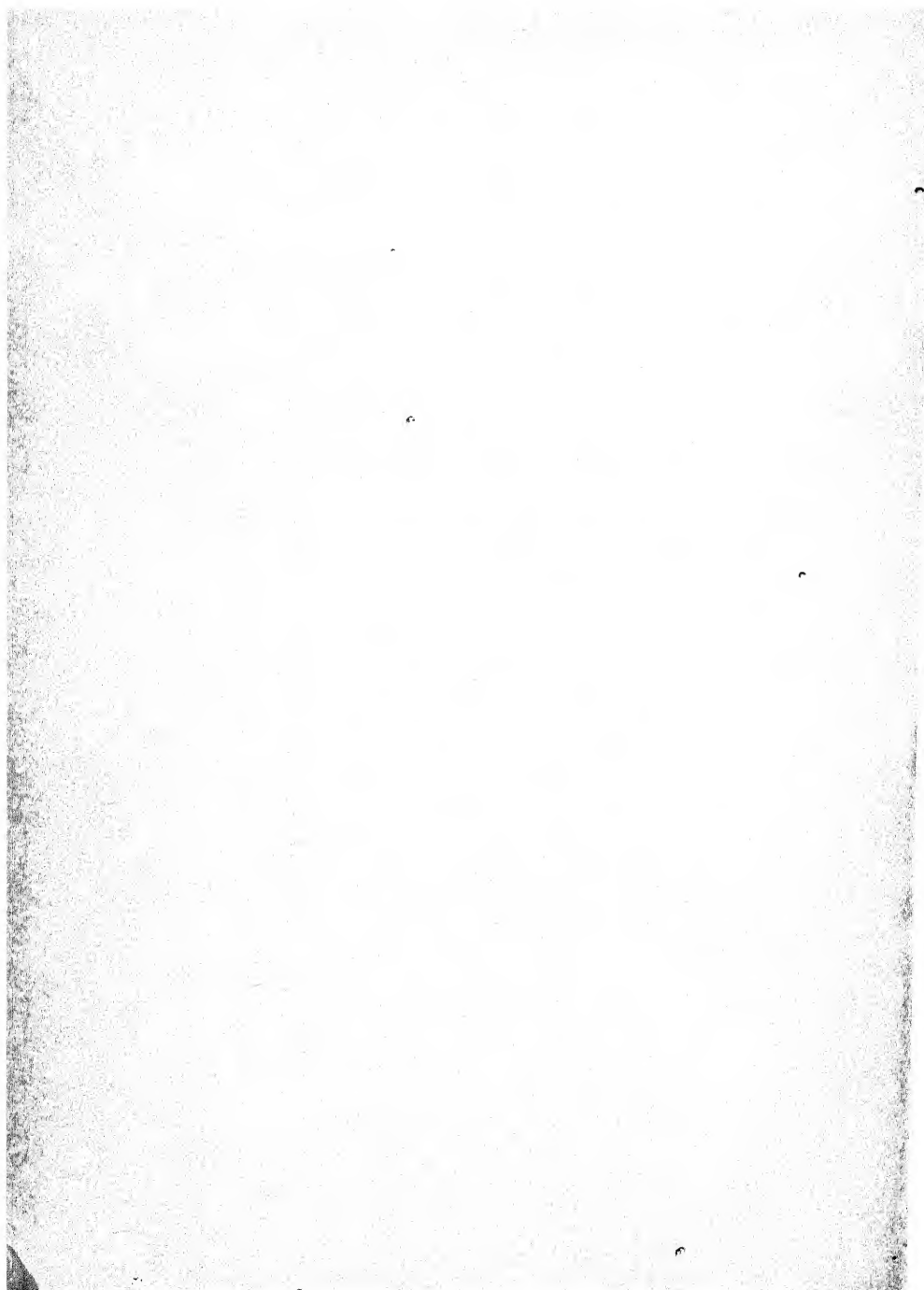
" 235, " 22, *for* "those," *read* "that."



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## PREFACE.

IN offering this work to the public, the author is perfectly aware of the disadvantage under which he labours, when attempting to controvert doctrines supported by the authority of Malthus, Ricardo, M'Culloch, and Torrens, and which are deemed by one of the most distinguished writers of the day, to be "almost too plain for formal statement."\* He is fully aware that by a large portion of those who think upon Political Economy, a doubt of the truth of those doctrines is considered as evidence that they are not "even comprehended,"\* and that, therefore, his book is likely to be thrown aside as unworthy of the time required for its perusal.

To all such, he would desire to call to mind the fact that in almost all departments of knowledge the orthodoxy of the present day is but the heresy of time past, and that many of those doctrines now held by themselves, and believed to be undeniably true, were, but a little time since, ridiculed as absurd. The disciples of Ptolemy had, as they believed, undoubted evidence of the truth of his system. They saw the sun revolve round the earth, and they found in the Scriptures confirmation of the correctness of his theory. Copernicus was denounced as a heretic, and his system was deemed too absurd for serious confutation, yet that of Ptolemy exists no longer, and it would now be as ridiculous to call in question that of Copernicus, as it was in former times to believe in its truth. Such having been the case in past times, it is *possible* that it may be so again, and that doctrines in Political Economy now so firmly established that to call them in question is deemed proof of want of ability

\* "All this appears almost too plain for formal statement. It is, however, one of the most recent discoveries in Political Science: so recent, that it can scarcely be said to be universally admitted in this country, and that abroad it does not seem to be even comprehended."—*Senior, Outline*, p. 177.

for their comprehension, may pass away and be as utterly forgotten as is now the Ptolemaic system.

It has been well said by an eminent writer of our time, that 'every one must of course think his own opinions right; for if he thought them wrong, they would no longer be his opinions; but' that 'there is a wide difference between regarding ourselves as infallible, and being firmly convinced of the truth of our creed. When,' he says, 'a man reflects on any particular doctrine, he may be impressed with a thorough conviction of the improbability, or even impossibility of its being false: and so he may feel in regard to all his other opinions when he makes them objects of separate contemplation. And yet, when he views them in the aggregate, when he reflects that not a single being on the earth holds collectively the same, when he looks at the past history and present state of mankind, and observes the various creeds of different ages and nations, the peculiar modes of thinking of sects, and bodies, and individuals, the notions once firmly held which have been exploded, the prejudices once universally prevalent which have been removed, and the endless controversies which have distracted those who have made it the business of their lives to arrive at the truth; and when he further dwells on the consideration, that many of these his fellow creatures have had a conviction of the justness of their respective sentiments equal to his own, he cannot help the obvious inference, that in his own opinions it is next to impossible that there is not an admixture of error; that there is an infinitely greater probability of his being wrong in some than right in all.'\*

All that the author desires, is that his arguments may be fairly weighed, and to that end that the reader will 'strengthen himself, by something of an effort and a resolve, for the unprejudiced admission of any conclusion which shall appear to be supported by careful observation and logical argument, even should it prove of a nature adverse to notions he may have previously formed for himself, or taken up, without examination, on the credit of others. Such an effort is, in fact,' says Sir John Herschel, 'a commencement of that intellectual discipline

\* Essay on the Publication of Opinions, Section V.

‘which forms one of the most important ends of all science. It is the first movement of approach towards that state of mental purity which alone can fit us for a full and steady perception of moral beauty as well as physical adaptation. It is the “euphrasy and rue” with which we must “purge our sight” before we can receive and contemplate as they are the lineaments of truth and nature.’\*

The portion of his work now submitted to the reader has extended itself much beyond the limits originally assigned to it, in consequence of the necessity for examining the opposing views of other writers. The author deemed it almost useless to offer his own views without attempting to show what he considered to be the errors that existed in those who had preceded him, and the causes of those errors. How far he has succeeded the reader will decide.

\* Treatise of Astronomy, p. I.



## INTRODUCTION.

THE field of inquiry of the political economist is, by most of the modern British writers, limited to the phenomena of the production and distribution of wealth. Mr. Senior defines political economy to be the "science which treats of the nature, production, and distribution of wealth."\* Mr. McCulloch says, "it might be defined to be the science of values."† Archbishop Whateley, in order to mark more distinctly the limits within which it should be restricted, proposed to substitute for its present name that of "Catalactics, or the Science of Exchanges."‡ The most recent definition that we have seen, is contained in an able article of the London and Westminster Review,§ the writer of which is of opinion, that the science takes notice of those departments of affairs only "in which the acquisition of wealth is the main and acknowledged end," and that,

'The political economist inquires what are the actions which 'would be produced by this desire, if, within the departments in 'question, it were unimpeded by any other. In this way,' he says, 'a nearer approximation is obtained than would otherwise be practicable to the real order of affairs in those departments. This approximation has then to be corrected by making 'proper allowance for the effects of any impulses of a different 'description, which can be shown to interfere with the result in 'any particular case. Only in a few of the most striking cases 'such as the important one of the principle of population are 'those corrections interpolated into the expositions of political 'economy itself; the strictness of purely scientific arrangement 'being thereby somewhat departed from for the sake of practical

\* Outline, p. 129.

† Principles, p. 3.

‡ Whateley's Lectures, p. 6.

§ October, 1836. On the Definition of Political Economy, and on the Method of Philosophical Investigation in that Science—an article that should be read by all students of political economy.

'utility. So far as it is known, or may be presumed, that the conduct of men in the pursuit of wealth is under the collateral influence of any other of the properties of our nature, than the desire of obtaining the greatest quantity of wealth with the least labour and self-denial, the conclusions of political economy will so far fail of being applicable to the explanation or prediction of real events, until they are modified by a correct allowance for the degree of influence exercised by the other cause.

'Political economy may then,' he says, 'be defined as follows: and the definition seems to be complete.

'The science which traces the laws of such of the phenomena of society as arise from the combined operations of mankind for the production of wealth, in so far as those phenomena are not modified by the pursuit of any other object.'

It is here supposed, that the principle of population is interpolated into the science on account of its "practical utility," but we are disposed to believe that it is introduced from absolute necessity. According to the commonly received theory, population tends to increase with great rapidity, and is only prevented from doing so by a constantly increasing difficulty in producing those commodities which constitute wealth. Wealth tends to increase rapidly, but the superior force of the procreative power is supposed to produce a necessity for the application of labour with a constantly decreasing return, affecting both the power of production and the mode of distribution. Here we have precisely the same opposition that exists between the centripetal and centrifugal forces. By a separate examination of the laws of both those forces, and a combination of the results, we obtain the law of the effect, which is compounded of the laws of all the causes which determine it. Herein consists the Science of Astronomy. By a separate examination of the laws of production and population, and a combination of the results thus obtained, we are enabled to obtain the law of the effect, and herein consists the Science of Political Economy. Neither of them alone constitutes a science, and the man who commences with a definition that limits him to the consideration of wealth, finds himself in the same condition with an astronomer who should undertake to give to the world a

treatise of Astronomy, and commence with a definition limiting him to the consideration of the laws of Attraction.

The utter impossibility of limiting the science within the terms of the definition, will be obvious to the reader upon an examination of any work on political economy. In the recent one of Mr. Senior, we find his "second elementary proposition" to be,

'That the population of the world, or, in other words, the number of persons inhabiting it, is limited only by moral or physical evil, or by fear of a deficiency of those articles of wealth which the habits of the individuals of each class of its inhabitants lead them to require.\*'

Here is a proposition in relation to *population* requiring to be proved, introduced into a work limited to the consideration of the production and distribution of *wealth*. If we look further, we find that the discussion of the relative progress of population and of wealth, with a view to ascertain the laws of production and distribution, occupies the greater part of his work.

The laws of the production and distribution of wealth, without reference to the question of population, might be discussed in a very few pages, and those of population would not occupy more. They are abundantly simple. So are those of the centripetal and centrifugal forces. In both cases it is only when we endeavour to arrive at the laws of the effects resulting from their combined action that any difficulty is experienced. The examination of that combined action is, however, precluded by a definition that attempts to limit the science to what is really only one branch of it. We are, therefore, of opinion that the limits ought to be so enlarged that the principle of population should come under consideration without a departure from "the purely scientific arrangement."

The predominant desire of man is to *maintain and to improve his condition*. That desire prompts him to two actions. First, to seek a partner of his pleasures and his cares—of his joys and his sorrows—by which he is enabled to continue his species—and second, to endeavour to acquire the command of those commodities which constitute wealth. If, then, we define political economy to be *the science which traces the laws of those*

\* Outline, p. 139.

*'phenomena of society which arise out of the desire of mankind to maintain and to improve their condition,'* we shall have a definition which will embrace all those operations the consideration of which is now deemed to appertain to the political economist, and it will be unnecessary to exceed the limits thus prescribed, for the purpose of bringing in those which are essential to a complete treatise.

It is said that,

*'Political economy considers mankind as occupied solely in acquiring and consuming wealth, and aims at showing what is the course of action into which mankind, living in a state of society, would be impelled, if that motive, except in the degree in which it is checked by the two perpetual counter motives above adverted to' [aversion to labour and the desire of the present enjoyment of costly indulgences] 'were absolute ruler of all their actions. Under the influence of this desire, it shows mankind accumulating wealth, and employing this wealth in the production of other wealth; sanctioning by mutual agreement the institution of property; establishing laws to prevent individuals from encroaching on the property of others by force or fraud; adopting various contrivances for increasing the productiveness of their labour; settling the division of the produce by agreement, under the influence of competition (competition itself being governed by certain laws, which laws are therefore the ultimate regulators of the division of produce;) and employing certain expedients (as money, credit, &c.,) to facilitate the distribution. All these operations, though many of them are really the result of a plurality of motives, are considered by political economy as flowing solely from a desire of wealth. \* \* \* \* \* Not that any political economist was ever so absurd as to suppose that mankind are really thus constituted, but because this is the mode in which the science must necessarily be studied.\*'*

It appears to us that the light in which mankind is viewed by the political economist, is a more agreeable one than is here shown. He regards man *as desirous of maintaining and improving his condition*, and employing his time and his talents

\* London and Westminster Review, October, 1836.

in the production of those commodities which are useful or agreeable to him, and which constitute wealth. He shows that his first object in so doing, is to secure the means of living, and then by employing a portion of those commodities to aid him in further production, to diminish the amount of exertion required therefor, while increasing the number of comforts, conveniences, or luxuries at his command. He inquires into the effect of accumulation in promoting the constant improvement of condition, and in so doing, indicates the advantage to be derived from economy, in diminishing the amount of sacrifice required to obtain the necessaries of life, and in increasing the means of improvement and of enjoyment. He holds up to view, not the miser denying himself the means of living, and repaying himself for his privations by gloating over his hoards of gold, but the farmer and the mechanic, enabled by the assistance of capital to acquire a constantly increasing measure of the comforts of life, with a decreasing amount of labour. He shows him thus enabled to indulge his desire of continuing his species, undeterred by the fear of wanting those comforts either for himself, or for his wife or children. He thus treats of man as a reasonable animal, and not as one disposed to sacrifice all present enjoyment for the purpose of obtaining that which he does not feel at liberty to use. He regards him as one desirous of improving his condition, physically and morally, and while tracing the laws by which his operations are governed, indicates the means by which the desired end may be attained.

When he has thus ascertained the *laws* by which the operations of man are governed, it becomes necessary to examine into the various disturbing causes by which in so many cases he has been deprived of the power of improving his condition. Without such examination a treatise on the science would be no more complete, than would be a treatise on astronomy in which no mention should be made of the causes of perturbations—or a treatise on hydraulics in which the influence of friction should be omitted. The business of the political economist is, like that of the hydrographer, to make a chart, exposing all the rocks and quicksands—all the dangers and difficulties that attend the voyage. If the master then select the course which leads him into danger, the fault is with himself.

Such a chart cannot be constructed without a careful examination of the logbooks of the vessels that have been engaged in the trade. Neither can the political economist dispense with an equally careful examination of the course of the various nations of the earth, with a view to examine how far observation serves to confirm or to contradict that which theory would induce him to believe to be true. By such an examination he should have it in his power to prove that the laws of nature, as expounded by him, were *universally true*—that the adoption of measures in accordance therewith had in all nations been accompanied by an increase of wealth—of morality—of happiness—and by an increase of numbers consequent upon the increased duration of life and increased means of enjoyment, while the contrary course had been invariably accompanied by poverty, wretchedness, and vice, preventing improvement of condition, and limiting the duration of life and the growth of population.

Improvements in machinery require always to undergo the test of application, and many of those which in theory appear perfect, fail entirely when it is attempted to apply them. Such is the case with the theories of political economists. They require to be compared with the results ascertained by a careful examination of facts, and rejected if found wanting. They must be universally true. It is very correctly said by the author to whom we last referred, that ‘if a political economist finds himself puzzled by any recent or present commercial phenomena; if there is a mystery to him in the late or present state of the productive industry of the country, which his knowledge of principles does not enable him to unriddle; he may be sure that something is wanting to render his system of opinions a safe guide in existing circumstances.’ In other words, his theory must be tried by the facts.

How far this has been done, may perhaps be judged by the following admission of a recent writer, himself the able advocate of many of the theories now most prevalent, and which, we think, are least in accordance with facts. He states himself to be ‘very sincerely of opinion that the science of political economy is yet in its infancy,’ and adds, ‘even the alphabet of the science—the meaning of every common term, whether

‘used by the vulgar or by the most learned professors, is still unsettled. There is scarcely a term of any weight which is not employed by different persons, and even by the same person, to express different meanings; *while the known principles of the science leave unexplained some of its most important phenomena.*’\* He then enumerates various important questions, that ‘the most learned economist of the day—one who has got all the books by heart—would be unable to answer.’ That such is the case is the consequence of theories not being tested by the results of practice.† Had they been so tested it would have been found not only that many “important phenomena” were left entirely unexplained, but that they were in direct opposition to the doctrines now most generally received.

The duty of the political economist is stated by an able writer to whom we have before referred, to be ‘neither to recommend nor to dissuade, but to state general principles which it is fatal to neglect, but *neither advisable, nor perhaps possible, to use as the sole, or even the principal guides in the conduct of affairs.*’‡

The political economist examines and states what are the laws of nature, and indicates what are the disturbing causes which have in so many cases interfered with their action; and having done this, his task is performed. Such being the case, we think some writers have erred materially in giving to the science an *appearance* repulsive to all the most gene-

\* *Wealth of Nations*. Preface. By Mr. Wakefield.

† ‘One of the greatest misfortunes of modern times—the separation of theory from practice—of the studies of the closet from the outward business of the world,—(a separation unknown to the better days of Greece and Rome, where the practical men were brought up in philosophy, and the philosophers received their education and formed their character in the midst of active life,) has given a wrong bias to the ideas and feelings both of the closet-student and the man of business. Each undervalues that part of the materials of thought with which he is not familiar. The one despises all comprehensive views, the other neglects all details. The one draws his notions of the universe from the few objects which compose the furniture of his counting house; the other having got demonstration on his side, and forgetting that it is only a demonstration *nisi*—a proof at all times liable to be set aside by the addition of a single new fact to the hypothesis—denies instead of examining and sifting the allegations which are opposed to him.’—*London and Westminster Review*, October, 1836.

‡ Senior, *Outline of Political Economy*, p. 130.



rous feelings of mankind. Thus the same author says, 'employed as he' [the political economist] 'is, upon a science in which error, or even ignorance, may be productive of such intense, and such extensive mischief, he is bound like a jurymen, to give deliverance true, according to the evidence, and to allow *neither sympathy with indigence, nor disgust at profusion or at avarice—neither reverence for existing institutions, nor detestation of existing abuses—neither love of popularity, nor of paradox, nor of system*, to deter him from stating what he believes to be the facts, or from drawing from those facts what appear to him to be the legitimate conclusions.'\*

Few men have shown themselves actuated by a more sincere desire to benefit their species than the writer of the above passage, and few have laboured more successfully. Yet the science, to the promotion of which he has given those labours, is here placed before his readers in a light that is calculated to produce disagreeable impressions in regard to it, and to prevent others from engaging in its cultivation. In stating what are the laws which govern the operations of man, there is no occasion, however, for *disgust, sympathy, or reverence*. The philosopher who investigates the operations of nature as displayed in the eruptions of Etna or Vesuvius, is not required to feel or to express sympathy for the sufferers of Catania or Herculaneum: nor is he who explains the theory of the winds called upon to express regret for the numerous shipwrecks of which they are the cause. He studies the universal laws of nature, and having explained them for the benefit of the mariner, his duty is performed, and he leaves to him the management of his vessel. Such is the case with the political economist. He seeks to understand the laws of nature, and in so doing indicates the course which leads to the possession of wealth and the improvement of condition: he inquires into the errors which have misled those who have in past times sought them in vain, leaving to his reader the choice to pursue the one and avoid the other, or not, as he deems proper. Were he required to construct a body of laws, he might deem it a question whether "sympathy" should be allowed to interfere with the performance

\* Senior, Outline of Political Economy, p. 130.



of his duty, or whether "reverence" might warrant him in sparing institutions which he deemed opposed to the accomplishment of his object: but here he would be acting in the capacity of legislator.

We deem it the more to be regretted that such feelings should be excited, as they certainly have been, because we know of no science the study of which is calculated to excite stronger feelings of admiration. We know of none that displays more beautifully the perfect harmony of the laws of nature, or that is so little calculated to excite an unpleasant sensation. We believe that when properly expounded, those laws prove abundantly, that "God hath made man upright,"\* while an examination into the various disturbing causes proves as fully that "they have sought out many inventions."\* We think there is abundant evidence that the prosperity of nations and the happiness of the individuals composing them, are in the ratio in which the laws of nature have been allowed to govern their operations, and that the poverty, misery, and distress, that exist are invariably to be traced to the interference of man with those laws, and that they exist in the ratio of that interference. If such could be shown to be the case, the laws of political economy might become the principal, perhaps the "sole guides in the conduct of affairs."

To prove this is the object we have in view. How far we shall be successful in the attempt we must leave to our readers to determine. We feel assured that want of success will arise from deficiency of ability in the treatment of the materials, and not from want of the materials themselves, and that whenever the laws of nature shall be accurately traced by the political economist it will be found that they *are universally true, and universally applicable*, and may safely be taken as the sole guides of individuals whose desires are limited to the improvement of their own condition, as well as of legislators charged with the affairs of millions.

\* Ecclesiastes, Chapter VII.

**PRINCIPLES**

OF

**POLITICAL ECONOMY.**

---

**ELEMENTARY PROPOSITION.**

**MAN DESIRES TO MAINTAIN AND TO IMPROVE HIS CONDITION.**

## CHAPTER I.

## PRODUCTION.

MAN endeavours to maintain and to improve his condition, by employing himself in the production of those things which are useful, or agreeable, to him. As, however, he can make no addition to the quantity of existing matter, production must be confined to the alteration of that which already exists. *To produce* may therefore be defined to be *to occasion an alteration in the condition of existing particles of matter, by which that matter may be rendered more useful, or agreeable, than in its present state.*

The man who employs himself in shooting deer, is a producer of venison and of deer-skins. He who employs himself in taking whales, is a producer of oil and of whalebone, and he who purchases whalebone and silk, to convert them into umbrellas, is a producer of umbrellas. He who prepares the ground and plants the seed, in order that nature may do her work in causing it to grow and yield him a crop in return for his labour, is a producer of corn.

Tea is grown in the interior provinces of China, and the husbandman is its producer, *at that place*, but in order to its production at Canton, some other persons must be employed to transport it thither. To produce it in New York or Liverpool, a new set of persons must be employed, as the agent who purchases it, the master and sailors who transport it across the ocean, and the merchant for whom it is purchased. The producers of tea at New York are, therefore, I. The husbandman—II. The merchant who purchases it from him and causes it to be transported to Canton.—III. The persons employed in its transportation.—IV. The agent who purchases it at Canton.—V. The master and sailors of the vessel by which it is transported.—VI. The merchant at New York for whom it was purchased. If it be required to be produced at Pittsburg, a new set of persons must be employed,

and we have—VII. The dealer of that place who purchases it in New York, and VIII. the persons by whom it is transported.

The alteration that is effected is thus either of *form*, or of *place*, and all who are engaged in occasioning that alteration are *producers*.

Adam Smith divided labourers into productive and unproductive, placing under the latter head, those whose labour was applied to rendering what are termed services. Mr. Senior has shown the error of this distinction, and we will give that gentleman's views, with which we perfectly accord, in his own words, as follows:—

'Products have been divided into material and immaterial, 'or, to express the same distinction in different words, into 'commodities and services. This distinction appears to have 'been suggested by Adam Smith's well-known division of labour into productive and unproductive. Those who thought 'the principle of that division convenient, feeling at the same 'time the difficulty of terming unproductive the labour without 'which all other labour would be inefficient, invented the term 'services, or immaterial products, to express its results.

'It appears to us, however, that the distinctions that have 'been attempted to be drawn between productive and unproductive labourers, or between the producers of material and immaterial products, or between commodities and services, rest 'on differences existing not in the things themselves, which 'are the objects considered, but in the modes in which they 'attract our attention. In those cases in which our attention 'is principally called not to the act of occasioning the alteration, but to the result of that act, to the thing altered, Economists have termed the person who occasioned that alteration 'a productive labourer, or the producer of a *commodity* or 'material product. Where, on the other hand, our attention 'is principally called not to the thing altered, but to the act of 'occasioning that alteration, Economists have termed the 'person occasioning that alteration an unproductive labourer, 'and his exertions, *services*, or immaterial products. A shoemaker alters leather and thread and wax into a pair of shoes. 'A shoeblack alters a dirty pair of shoes into a clean pair. In

'the first case our attention is called principally to the things  
'as altered. The shoemaker, therefore, is said to *make* or *produce*  
'*duce* shoes. In the case of the shoeblick, our attention is  
'called principally to the act as performed. He is not said to  
'make or produce the commodity, clean shoes, but to perform  
'the service of cleaning them. In each case there is of course  
'an act and a result; but in the one case our attention is called  
'principally to the act, in the other to the result.

'Among the causes which direct our attention principally to  
'the *act*, or principally to the *result*, seem to be, first, the de-  
'gree of change produced; and secondly, the mode in which  
'the person who benefits by that change generally purchases  
'that benefit.

'I. Where the alteration is but slight, especially if the thing  
'that has been subjected to alteration still retains the same  
'name, our attention is directed principally to the act. A cook  
'is not said to *make* roast beef, but to *dress* it; but he is said  
'to make a pudding, or those more elaborate preparations  
'which we call *made* dishes. The change of name is very  
'material; a tailor is said to *make* cloth into a coat; a dyer is  
'not said to *make* undyed cloth into dyed cloth. The change  
'produced by the dyer is perhaps greater than that produced  
'by the tailor, but the cloth, in passing through the tailor's  
'hands, changes its name; in passing through the dyer's it  
'does not: the dyer has not produced a *new name*, nor, con-  
'sequently, in our minds, a *new thing*.

'The principal circumstance, however, is the mode in which  
'the payment is made. In some cases the producer is accus-  
'tomed to sell, and we are accustomed to purchase, not his  
'labour, but the subject on which that labour has been em-  
'ployed; as when we purchase a wig or a chest of medicine.  
'In other cases, what we buy is not the thing altered, but the  
'labour of altering it, as when we employ a hair cutter or a  
'physician. Our attention in all these cases naturally fixes  
'itself on the thing which we are accustomed to purchase;  
'and according as we are accustomed to buy the labour, or  
'the thing on which that labour has been expended,—as we  
'are in fact, accustomed to purchase a commodity or a ser-  
'vice, we consider a commodity or a service as the thing pro-

duced. The ultimate object both of painting and of acting is the pleasure derived from imitation. The means adopted by the painter and the actor are the same in kind. Each exercises his bodily organs, but the painter exercises them to distribute colours over a canvass, the actor to put himself into certain attitudes, and to utter certain sounds. The actor sells his exertions themselves. The painter sells, not his exertions, but the picture on which those exertions have been employed. The mode in which their exertions are sold constitutes the only difference between menial servants and the other labouring classes; a servant who carries coal from the cellar to the drawing-room, performs precisely the same operation as the miner who raises them from the bottom of the pit to its mouth. But the consumer pays for the coals themselves when raised and received into his cellar, and pays the servant for the act of bringing them up. The miner, therefore, is said to produce the material commodity, coals; the servant the immaterial product, or service. Both, in fact, produce the same thing, an alteration in the condition of the existing particles of matter; but our attention is fixed in the one case on the act, in the other on the result of that act.

In the ruder states of society almost all manufactures are domestic: the Queens and Princesses of heroic times were habitually employed in overlooking the labours of their maids. The division of labour has banished from our halls to our manufactories the distaff and the loom; and, if the language to which we have been adverting were correct, the division of labour must be said to have turned spinners and weavers from unproductive into productive labourers; from producers of immaterial services into producers of material commodities.

But objecting as we do to a nomenclature which should consider producers as divided, by the nature of their products, into producers of services and producers of commodities, we are ready to admit the convenience of the distinction between services and commodities themselves, and to apply the term *service* to the act of occasioning an alteration in the existing state of things; the term *commodity* to the thing as

‘altered ; the term *product* including both commodities and ‘services.

‘It is to be observed that, in ordinary language, a person is ‘not said to produce a thing unless he has employed himself ‘for that especial purpose. If an English oyster-fisher should ‘meet with an oyster containing a pearl, he would be called ‘not the producer of the pearl, but its casual finder. But a ‘Ceylon oyster-fisher, whose trade is to fish for pearl oysters, ‘is called a producer of pearls. The *mere existence* of the ‘pearls is in both cases owing to the agency of nature ; their ‘existence as articles of value is in both cases owing to the ‘agency of the fisher\*in removing them from a situation in ‘which they were valueless. In the one case he did this in- ‘tentionally, in the other accidentally. Attention is directed ‘in the one case to *his* agency, and *he* is therefore called the ‘producer of the pearl. In the other case it is directed to the ‘agency of nature, and he is called only the appropriator. But ‘it appears to us the more convenient classification, for scien- ‘tific purposes, to term him in both cases the producer.’\*

\* Outline of the Science of Political Economy, p. 150.

## CHAPTER II.

## OF VALUE.

AN individual of mature age, thrown upon and sole occupant of an island, or of an extensive body of land of average fertility, finds himself provided with land, fruits, and flowers, in quantity that is practically unlimited, because much greater than he can occupy, or consume. They are as much so as light, air, or water. His first object is to supply himself with food. For a short time he may suffice his appetite with fruit, obtainable with no more exertion than is necessary to enable him to pluck it from the tree, but he soon feels that something more solid is necessary, and sees that it can be obtained only by increased labour. If animals of different kinds exist in his vicinity, he first endeavours to take those that are most easily entrapped, but when he desires to vary his food, he finds that still greater labour is required. If one day be sufficient to take a rabbit, or a hare, a week may be required to take a deer, and he will not devote so much time to its pursuit, until he shall have felt sufficient desire for its possession to induce him to make that sacrifice. He has his choice—fruit almost without labour—a rabbit, or a hare, at the cost of a single day's exertion—venison—or perhaps fish—at the cost of a week's labour.

His next desire is to provide himself with a place in which he shall be sheltered from summer's heat and winter's cold. Being unprovided with implements, the construction of a house is a very serious undertaking, yet it is at length accomplished. After this, seeing the difficulty of obtaining during the winter a supply of food, he endeavours in the summer and autumn to lay up a store that will be sufficient to support existence during the time that he is unable to pursue his employments out of doors.

He has now acquired various species of property, to which he attaches the idea of *value*. His fruit has cost him only the labour of plucking it from the trees—his animal food has cost him much time and trouble in the pursuit, and in its preservation—his house, the labour of many months,—his boat, if he have



one, may have cost him almost as much, and his estimate of their value is regulated by the cost of production—by the quantity of labour he has been obliged to give *in exchange* for them. Of land he has an unlimited quantity, and if he deemed it desirable to change his residence, he could take possession of that in the vicinity, or at any distance from the place at which he had established himself, as he thought proper. Being thus superabundant, it could have no value in his estimation.

Having advanced thus far, let us suppose that he discovers another individual at the distance of a few miles from him. He finds B. to be in the same situation as himself, except that the products of the land upon which he is established are different. B. wants apples, but has potatoes in abundance. He has no rabbits, but turkeys abound. An exchange being now to be established, the question arises as to what should be the mode of estimating the value of the various articles. A. could demand of B. only remuneration for the time employed in gathering the fruit, because if he asked more, B. could come and take what he wanted, the quantity being unlimited. B. in like manner could demand of A. only remuneration for the time employed in gathering the potatoes. If two bushels of fruit could be gathered in the same time that would be required for one bushel of potatoes, B. would not spend a day in procuring the latter to exchange for as much of the former as he could himself gather in half a day. In exchanging hares, or rabbits, for turkeys, the same mode of valuation would obtain. If a deer required the same labour as half a dozen turkeys, B. would not give a dozen in exchange for it, because, by the devotion of half as much time as would be required to obtain them, he could take it himself. Both parties exercising their powers under exactly similar circumstances, every article produced, or appropriated, by them, would be measured by the same standard, viz. the quantity of labour required for its production or appropriation.

Here we find the *nature* and *measure* of value. Had not A. attached sufficient value to the possession of the deer, he would not have been disposed to *exchange* for it the quantity of labour required to secure it, and if B. had not attached to it equal value, he would not have devoted the time necessary for taking as many turkeys as would enable him to obtain it in exchange from A.

If, instead of finding a neighbour, A. had been so fortunate as to obtain a wife, the same system of exchange would have been established. He would take the deer, and she would cook the meat and convert the skins into clothing. He would raise the flax, and she would convert it into linen. If the family became numerous, one would cultivate the earth, and a second would supply the fish and other animal food necessary for their support, while a third would be engaged in the management of the household, in the preparation of food, and in the manufacture of clothing. Here would be a system of exchanges as complete as that of Cornhill, or Broadway. The only difference would be that value would not be indicated by *price*. In those larger communities, in which there is no separate property, the exchangeable value of the products of labour is as well settled as in London, or Paris. The bees will not, if they can avoid it, work for the drones, and if the latter make their appearance they are soon expelled, except where they possess the power of compelling others to labour for their support.

The idea of exchange is inseparably connected with that of value. We estimate a deer as worth the labour of a week—a hare at that of a day—*i. e.* we should be willing to exchange that quantity of labour for them. The sole inhabitant of an island has thus his system of exchange established, and measures value precisely as does each member of a large community. When he is joined by another person exchanges arise between them, and are governed by the same laws as when they are performed among nations whose numbers are counted by millions.

In measuring value, the first and most natural idea is to compare the commodities produced with the labour that has been expended in their production. In exchanging, the most obvious mode is to give *labour for labour*.

A. has more fruit than he can use, and B. has more potatoes. Neither possesses any value in its present state, and either party may appropriate as much as he pleases of them. Some time is, however, necessary for so doing, and as it is most convenient for each to gather that which is nearest to him, each is willing

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that the other should work for him, and receive work in return. Each however desires to have as large a quantity as he could himself obtain with the same quantity of labour, and watches carefully that he does not give more labour than he receives.

Our two colonists having thus established between them a system of exchanges, would, of course, endeavour to obtain the best aids to labour that might be within their reach. They would soon find that the clearing of land, building of houses, and in fact, almost every species of employment, would be greatly assisted by the possession of an axé, or some species of cutting instrument. Having no iron, they would be compelled to avail themselves of such means as were at their command, and if they could find flint, or other hard stone, they might at the cost of great labour succeed in making one or more. The instrument would be very rude, but it would materially aid their operations, and they might now build a house in perhaps one half as much time as had been required to construct the first. They would have obtained the aid of *capital*, the product of previous labour, and the immediate effect would be a change in the value of all previously existing articles in the production of which an axe could be available. The house that had cost the labour of a whole year, could now be reproduced in six months, and as much fuel as had cost a fortnight's labour, could now be cut in a week. No improvement having yet taken place in the mode of taking deer, or fish, their value, in labour, would remain as before. If, now, one of the parties chanced to have more fish than he required, while the other had a surplus of fuel, the latter would give twice as much as he would have done before the axes were made, knowing that he could reproduce that quantity with the same expenditure of labour that previously would have been required for half of it.

All previously existing capital, in the form of houses, boats, or fuel, would now exchange for only the quantity of labour required for their reproduction, so that the acquisition of the axe would increase the value of labour, when estimated in houses or fuel, and lessen the value of houses and fuel, when estimated in labour. The cost of *production* would no longer be the measure of value, the cost at which they could be *reproduced*

having fallen. *Value would be estimated by the cost of production under existing circumstances.* The fall, however, having been occasioned by the improvement effected in the means of applying labour, no further fall would take place until a further improvement was effected. The more slowly those improvements were made, the more steady would be the proportion which existing capital would bear to labour, and the more rapidly they were made, the more rapid would be the fall of pre-existing capital, and the more rapid would be the increase in the proportion which labour would bear to that capital.

In such a state of things, let us suppose a vessel to arrive, the master of which desires supplies of fruit, fresh provisions, &c., for which he is willing to give muskets, or axes, in exchange. The settlers value the commodities they have to part with by the amount of labour they have cost to produce, or by the quantity necessary to replace them. They value fruit at less than potatoes, and hares and rabbits at less than deer, and will not give the produce of five days' labour in venison, if they can obtain what they want for the produce of the labour of four days applied to raising potatoes.

They will measure the value of the articles that they desire in exchange, by the difficulty that exists in the way of their obtaining them. It has cost them the labour of months to make a rude axe, and if they can obtain a good one at the cost of an equal amount of labour, it will be more advantageous for them to do so, than to employ the same time in the production of one similar to that which they possess. They can, however, make such, but they cannot make muskets, and they will attach more value to the possession of a single one, than to that of several axes. They might give the provisions accumulated by the labour of three or four months for the one, but they would be willing to give all the accumulations of a year for the other.

Let us suppose that each should be enabled to supply himself with a musket and an axe, and examine the effect. Both parties being exactly equal—each possessing the same machinery,—the labour of each would be of equal value, and the average produce of a day's labour of the one would continue to exchange for a day's labour of the other.

The house that had cost, at first, the labour of a year, could

be reproduced, by the assistance of the first rude axe, by the labour of half a year, but a similar one can now be produced in a month. It is, however, so inferior to that which can now be made, that it is abandoned, and ceases to have any value whatever. It will not perhaps exchange for the labour of a single day. The first axe ceases to have value. The increased capital of the community has thus been attended with a diminution in the value of all that had been accumulated previously to the arrival of the ship. The value of labour in houses has risen, and two months will now give one vastly superior to that which was at first obtained by twelve.

The value of the provisions that had been accumulated would experience a similar fall. The labour of an individual armed with a musket, for a week, would be more productive of venison, than that of months without its aid. In any exchanges that might now be made of the stock already existing, the value would be measured by the labour required for its reproduction, and not by that which it had cost to produce. Labour aided by capital being more advantageously applied, had improved in its *quality*, and a smaller *quantity* would now be required.

The master of the vessel obtained for an axe, produced by a mechanic in a single day, provisions, that had required months to collect and preserve. One day, aided by machinery, the result of previous labour, is thus as productive as months of labour not so aided. Quality is therefore a substitute for quantity.

Throughout the operations of the world, the result is the same. The savage gives skins, the product of many months of exertion, for a few beads, a knife, a musket, and some powder.\* The people of Poland give wheat, produced by the labour of months,† for clothing produced by that of a few days, assisted by capital in the form of machinery. The people of India give

\* 'Three marten skins are obtained for a coarse knife, the utmost value of which, including the expense of conveying it to those distant regions, cannot be estimated at more than 6*d.*; and three of the skins were sold, last January, in London, for five guineas. With the more expensive furs, such as the black fox, or the sea-otter, the profit is more than tripled; and but a few years ago, a single skin of the former species sold for 50 guineas, while the native obtained in exchange the value of 2*s.*'—*King's Arctic Expedition.*

† From a statistical account of the Lordship of Pulaway and Kouskowola, in the province of Lublin, in Poland, it appears that 'The subjects, when called to

a year's labour for as much clothing or provisions as could be had in the United States by that of a month. The people of France\* give a year's labour for less than those of England obtain in half a year. The mechanic, aided by his knowledge of

'work with their teams on the estate, beyond the days of stipulated service, 'receive six pence a day for agricultural labour, (ploughing and sowing,) and 'three pence for other manual work. If they do not work on the estate, but are 'employed elsewhere, they are paid from eight to twelve pence for agricultural 'labour with their team, and from three pence to six pence for their own work.'—*Jacob, First Report, p. 171.*

The average price of wheat, at Cracow, on the Vistula, above the province of Lublin, for a period of ten years,† was 25s. sterling. It required then the labour of seventy-five days to produce a quarter of wheat, which in the United States could be obtained by the labour of nine or ten days.

Such is the poverty of the people of those countries, that they are totally unable to make the improvements in their implements, or in their modes of cultivation, that are necessary. The consequence is, that the product does not usually exceed three, four, or five times the amount of seed sown, as may be seen by the following statements, taken from Mr. Jacob's reports.

In Pomerania, the condition of the people was such that they were unable to keep a sufficiency of stock to supply their lands with manure, and consequently the returns were little more than treble the seed, as follows:—

Wheat sown,	155,936	tchetwerts.	Produce,	996,224
Rye sown,	1,254,960	do.	do.	4,383,584
Barley sown,	619,992	do.	do.	2,757,688
Oats sown,	1,245,704	do.	do.	2,975,880
	<u>3,276,592</u>			<u>11,113,376</u>

Volhynia is represented as a district of extraordinary fecundity, yet he finds, by the official harvest returns of the Russian empire, the return was little more than four times the seed sown.

Sowed 635,700 tchetwerts; reaped 2,626,832.

Podolia, also represented as very fertile, yielded only 3,067,846 from 644,803 tchetwerts of seed.

\* 'The greater part of France, a still much greater portion of Germany, and 'nearly the whole of Prussia, Austria, Poland, and Russia, present a wretched 'uniformity of system. It is called the three-course husbandry, consisting of, '1st, one year's clean fallow; 2d, winter corn, chiefly rye, with a proportion of 'wheat commensurate to the manure that can be applied; 3d, summer corn, or 'barley and oats. There are occasional and small deviations from this system. 'In some few cases, potatoes, in others, peas are grown, in the fallow year; but 'they are only minute exceptions to the generally established system. It is not 'surprising that under such a system the produce should not be much more 'than four times the seed, at which rate it is calculated, it appears to me rightly, 'by Baron Alexander Humboldt."

† Jacob, First Report, p. 94.

† Jacob, First Report, p. 34.



his trade, obtains in a week as much as the labourer can earn in ten or twelve days, and the dealer in merchandise, who has devoted his time to obtaining a thorough knowledge of his business, gains in a month, as much as his neighbour, less skilled in it, can do in a year.

In order that quantity of labour should be a measure of value, it should be aided by an equal amount of capital, in the form of machinery, or intelligence. The product of the labour of two carpenters in New York, or Philadelphia, will generally exchange for that of two masons, and that of two shoemakers will not vary much in value from that of two tailors. That of a labourer in Boston will exchange for that of another in Pittsburgh, Cincinnati, or St. Louis, but it will not be given for that of a labourer in Paris, or Havre, the latter not being aided by a similar amount of capital, and being therefore inferior in *quality*. The quality of labour throughout France varies to a certain small extent, as does that throughout England, or India; but between a native of Bordeaux and another of Lille, the variation is trifling, compared with that which exists between a workman in any part of France and one in the United States. The circumstances which affect the quality of labour in Bordeaux and Lille are, in a great measure, common to all the people of France, as are those which affect that of a workman in Philadelphia to all the people of the United States. Here we find the same effect at the same time, but at different places, that we have before shown to be produced at the same place, but at different times. The increased capital of the settlers having improved the quality of their labour, the product of the third year was more valuable than that of the first two years; and in like manner the product of a single year's labour in the United States, is worth nearly as much as that of three years' labour in France. Value is, therefore, not measured by quantity alone, but by *quantity and quality of labour*.

The house and the axe, the capital that had been accumulated, fell in value, when, by the aid of improved implements, labour was rendered more productive. Such is the case in regard to all the accumulations resulting from past labour. As the facility of production increases, the reward of the labourer in the articles so produced increases, and the clothing that forty

years ago would have purchased the labour of weeks, would not now command that of as many days. Fifty years since a steam engine would have required the labour of a life to pay for it, but at present it would not exchange for that of more than a few years of a common workman in the United States. In fact, like the house first built by the settler, the workman could so readily obtain one vastly superior, that those constructed fifty years since would be valueless, and much of the clothing of last century was so inferior in quality that a purchaser could now with difficulty be found.

The value of commodities, or machinery, at the time of production, is measured by *the quantity and quality of labour* required to produce them. Every improvement in the mode of production tends to improve the *quality* of labour, and to diminish the *quantity* required for the *reproduction* of similar articles. With every such improvement there is a diminution in the quantity that can be obtained in exchange for those previously existing, because *no commodity will exchange for more labour than is required for its reproduction*. There is a constant improvement in the machinery of production, and in the quality of labour, accompanied by a constant fall in the labour value of those existing commodities, or machines, which constitute capital. The longer, therefore, that any commodity, or machine, in the mode of producing which improvements have been made, has been in existence, even where no change has been made in the quality of the machines used, or in that of the commodity, and where there has been no change in its powers from use, the smaller is the proportion which its present labour value bears to its cost.

The silver produced in the fourteenth century exchanged for labour at the rate of seven pence half penny for that of a week. Since that time it has steadily diminished in its power of commanding it in exchange, until, at the present time, twelve or fifteen shillings are required to obtain that of the same number of days that could be had five centuries since for  $7\frac{1}{2}d$ . The various persons through whose hands has passed the silver that existed in the fourteenth century, have thus experienced a constant depreciation in the *quantity* of labour that their capital would command. An axe made fifty years since, of equal quality with the best that could now be made, and which had never

been used, would not now exchange for half as much labour as it would have done on the day of its production. The owner would have found his capital constantly falling in its labour value.

This diminution in the value of capital is attended by a diminution in the proportion of the product of labour that is given for its use, by those who, unable to purchase, desire to hire it. When the first axe was made, if it had been the exclusive property of one of the colonists, he would have demanded at least one half of the wood that could be cut with it, in return for permitting the other to use it. It had cost A. the labour of half a year, and B. could not produce a similar one in less time. The arrival of the ship enabled the parties to obtain superior implements at less cost, and by degrees an axe would fall in value from six months to that of one, two, or three days. The man who desired fifty years since, the use of such an instrument for a year, would give the labour of more days than he would do now, when by that of a single day he might become the owner of one. When A. possessed the only house in the settlement, he would have demanded of B., for permission to use it for a year, a much larger number of days' labour than B. would be willing to give when the possession of an axe enabled him to construct a similar one in a month. At the time that a week's labour could command only  $7\frac{1}{2}d.$  of silver, the owner of a pound thereof, could demand a much larger proportion, in return for permitting its use, than can now be done, when the labourer can obtain that quantity in return for the exertions of little more than a fortnight. *Improvement in the machinery by which production is aided, is attended not only by a reduction in the labour value of previously existing capital, but by a diminution in the proportion of the product of labour that can be demanded in return for permitting it to be used.*

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As the families of our settlers increased and extended themselves over the land, exchanges would multiply, and it would become difficult to perform them without some general standard of comparison, or medium of exchange, and the value of any commodity in that article would be termed its *price*. If wheat were the article of chief production it might be adopted, and a deer would be valued at a given number of bushels. Tobacco

might be used for the purpose, as was formerly the case in Virginia; or it might be cowrie shells, or gold and silver. Unless, however, the hunter could obtain as much wheat, or tobacco, for his deer, as he could by cultivating the earth, he would relinquish hunting. Whatever might be adopted as the standard, would itself be liable to variation, according to the quantity of labour requisite to obtain any given quantity of it. Thus, if it were wheat, its value in labour, or in other commodities, would be greater or less according to the seasons. If the crops were large, a small quantity of labour would command a large quantity of it, and *prices* would rise, whereas, if the crops failed, the same amount of labour might command but half as much, and *prices* would fall.

Any circumstances that might lessen the demand for an article, would tend to lessen its value when compared with other commodities; and if it should be the one that had been adopted as the standard of comparison, *prices* would rise. Thus, if the standard were tobacco, and the use of it should be discontinued, or diminished, it would fall in value below the cost of production, and the *price* of all other commodities would rise, because a greater quantity of tobacco would be given for them, until the supply of the latter should be diminished so as to correspond with the demand. If cowrie shells should cease to be objects of desire, no man would give as much wheat for them as he would have done when they were universally in request. Prices universally would rise, and the owner of shells would give a greater number of them for any commodities he might find it necessary to purchase. The substitution of bank notes and bills of exchange for gold and silver, as a medium of exchange, tended to lessen the demand for them, and to raise the *prices* of labour, and of all other commodities. The greatly increased use of them for other purposes has, however, tended to maintain their value in exchange. If cotton were extensively substituted for wool, the value of the latter would fall, until some new mode of employing it should create a demand equal to that which had before existed, or until the supply should be reduced to meet the demand.

There is no commodity, uniform in its cost of production, that can be taken as the standard of comparison. Those

usually adopted by civilized nations are gold and silver, but they are liable to the same variation as others. The cost of obtaining them is much smaller now than it was in former times, and the consequence is that a larger quantity is given for the commodities produced by any given amount of labour. Prices have risen. Any circumstance that tends to increase the facility of obtaining them, must raise prices, as an increase of the labour required therefor must cause them to fall. Temporary changes are generally produced by the substitution, to an unusual extent, of paper money for the precious metals, when the demand for them is lessened, and *prices rise*, followed by periods in which the supply of paper is reduced, when the demand for gold and silver is increased, and *prices fall*. The fall in the value of gold or silver, that is indicated by a general rise of prices, is as injurious to the Mexican as a fall in the price of cotton to a Carolinian. It tends to diminish his power of improving his machinery, and to lessen the supply, the consequence of which must be a fall in the prices of other commodities, and a rise in the price of silver.

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We come now to consider the *cause* of value. The house, the deer, and the fruit, are all *useful and agreeable*, but they do not possess those qualities more than light and air, which have no value. The latter are necessary to us, but as they exist in unlimited quantities, we attach the idea of value to their possession only when labour may have been required to give us the use of them at the place and in the manner that is most convenient and agreeable to us. If we have a room that is not sufficiently lighted, we make a window for the admission of more light. When the sun ceases to grant us his aid, we invoke the aid of candles, oil, or gas. When we wish the services of the wind, we erect masts and put sails upon them, and increase the number so as to enable us to obtain the whole quantity that we desire. If we wish more heat than the sun can give us, we erect hot houses, or stoves. Light, heat, and air, thus obtained, have value from the labour bestowed in appropriating or producing them, precisely as the fish of the sea, or the birds of the air secured by the sportsman, have it.

To have value an article must have utility, or it must be

capable of ministering in some mode to the gratification of man, but those qualities, although *necessary* to value, are not *causes* of it, because nothing is more useful than air, which has none, except when labour has been expended in obtaining it. Such is the case with all commodities, or things, all of which derive their value from the labour which has been applied to their production at the time and place at which they are required. *Labour is thus the sole cause of value.*

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We arrive now at the following conclusions.—

I. That the *cause* of the value attached to commodities, or things, is the necessity for giving labour in exchange for them.

II. That the value of every commodity or thing, must be estimated in some other commodity or thing, and thus that the *nature* of value is exchangeable.

III. That the producer desires to diminish the quantity of labour required for their production, and to facilitate their acquisition.

IV. That with this view he appropriates a portion of his labour to the construction of machines to aid him in production.

V. That those machines constitute his capital.

VI. That capital tends to improve the *quality* of labour, and to lessen the *quantity* required for the production of any commodity.

VII. That the value of commodities, at the time of production, is *measured* by the *quantity and quality* of labour required to produce them.

VIII. That the value of an article cannot exceed that of the labour required to *reproduce* it.

IX. That every improvement in the mode of producing any commodity tends to lessen the value, in labour, of commodities of the same description previously existing.

X. That the accumulated products of labour, constituting capital, have, therefore, a constant tendency to fall in their labour value.

XI. That this fall of value is accompanied by a *decrease in the proportion* of the product of labour that can be claimed in return for permitting their use.

XII. That there is a constant tendency to *increase* in the value of labour when compared with capital, and to an *increase in the proportion* of product retained by the labourer.

## CHAPTER II.

MALTHUS, MCULLOCH, SENIOR, and others, ON VALUE.\*

IN thus attributing value exclusively to labour, we agree with several of the principal writers of our time, among whom are Mr. Malthus,† Colonel Torrens,‡ and Mr. M'Culloch.§ Those writers, however, attribute the *power to demand rent for the use of land* to the fact that the superior soils are limited in quantity, and that, as population increases, there arises a *necessity for extending cultivation over land yielding a diminished return, attended with a constant diminution in the wages of labour and the profits of capital*. In consequence of this *necessity* the person who has appropriated to himself a superior soil is supposed to be enabled to demand as rent the whole amount of the difference between the product of labour applied thereon, and that which could be obtained by the same quantity of labour applied to the worst land required to be cultivated to supply the quantity of food necessary for the population. If the former will yield two hundred bushels, and the latter one hundred bushels, he can claim the difference, or one hundred bushels, as rent.||

\* We give in this chapter a brief view of the opinions of these writers, reserving for a future portion of this work, the examination of their arguments in support of their doctrines, where the latter differ from our own.

† 'Wealth consists of the material things necessary, useful, or agreeable to man, which have required some portion of human effort to appropriate or produce.'—*Malthus, Definitions*, p. 34.

‡ 'Two things are essential to wealth: the possession of utility,—and the requiring some portion of voluntary exertion or labour.' *Production of Wealth*, p. 1.  
§ 'Labour is the only source of Wealth.'—*Principles*, p. 66.

|| 'Suppose now, that such a price is offered as will pay the expense of producing corn on soils which, in return for the same expenditure that would have produced 100 quarters on lands of the *first quality*, will only yield 90 quarters; it is plain it will then be indifferent to a farmer whether he pays a rent of 10 quarters for the first quality of land, on farms the second quality, which is unappropriated and open to him, without paying rent. If the population went on increasing, lands which would yield only 80, 70, 60, 50, &c., quarters in return for the same expenditure that had raised 100 quarters on the best lands, might be successively brought into cultivation. And when recourse has been had to these inferior lands, the corn rent of those that are superior would plainly be equal to the difference between the quantity of produce obtained from them, and the quantity obtained from the worst land under tillage.'—*M'Culloch, Principles*, p. 432.

*Rent is the sign of value.* Land which pays it has value, and that which can command no rent has no value. If this "necessity" be the cause of value in land, our assertion that labour is the *sole* cause cannot be correct, nor is Mr. M'Culloch consistent in saying that "labour is the *only* source of wealth," while he attributes the power to demand rent to another cause.

Mr. Senior attributes value to all articles that are, I. Useful. II. Susceptible of appropriation, and of course transferable: and III. Limited in supply.\*

Many things are useful that have, however, no exchangeable value, as we have shown to be the case in regard to air. Coal in the mine has all the qualities that it possesses when it is brought into use in New York or Philadelphia, yet acres of land containing thousands of tons may be purchased for fifty cents. It requires the application of labour to give it value. It is perfectly susceptible of being appropriated or transferred, yet it is valueless. No commodity or thing can have value unless it is susceptible of being made to contribute to the comfort, convenience, or pleasure of man, nor unless susceptible of appropriation, but those qualities, though thus *essential to*, are not *causes of*, value. With great reason, therefore, Mr. Senior rests chiefly on limitation of supply as *the cause*. Of this he says:

'The next constituent of value is *limitation in supply*. It may appear inaccurate to apply this expression to any class of things, as it, in fact, belongs to all; there being nothing which, strictly speaking, is unlimited in supply. But for the purposes of Political Economy, every thing may be considered as unlimited in supply, *in its existing state*, of which a man may have as much as he pleases for the mere trouble of taking it into his possession. Thus the water of the open sea is, in our use of the term, unlimited in supply; any man who chooses to go for it may have as much of it as he pleases: that portion of it which has been brought to London is limited in supply, and is to be obtained not merely by going to the

\* 'Under that term [wealth] we comprehend all those things, and those things only, which are transferable, are limited in supply, and are directly or indirectly productive of pleasure or preventive of pain; or, to use an equivalent expression, which are susceptible of *exchange*; (using the word exchange to denote hiring as well as absolute purchase;) or, to use a third equivalent expression, which have *value*; a word which, in a subsequent portion of this Treatise, we shall explain at some length, merely premising at present that we use it in its popular sense, as denoting the capacity of being given and received in exchange.'

† Outline of the Science of Political Economy, p. 131.



‘reservoir and taking possession of it, but by giving for it an equivalent. The copper ores which Sir John Franklin discovered on the shores of the Arctic Sea, may be considered, *in their existing state*, as unlimited in supply; any man may have as much of them as he has strength and patience to extract. The extracted portion would be limited in supply, and therefore susceptible of value. Many things are unlimited in supply for some purposes, and limited for others. The water in a river is in general more than sufficient for all the domestic purposes for which it can be required; nobody pays, therefore, for permission to take a bucketfull; but it is seldom sufficient for all those who may wish to turn their mills with it; they pay, therefore, for that privilege.

‘The number of coats and waistcoats in England is perhaps about equal. The supply of each may be increased by human exertion to an indefinite extent; but it requires about three times as much exertion to produce a coat as to produce a waistcoat. As the obstacle, therefore, which limits the supply of coats, is three times as forcible as that which limits the supply of waistcoats, we consider coats three times more limited in supply than waistcoats, though the existing supply of each may perhaps be equal.

‘Of the three conditions of value, utility, transferableness, and limitation in supply, the last is by far the most important.’

*Production* consists in altering in its form, or in its place, matter already existing. The commodities referred to by Mr. Senior require to be *produced in the form* in which, and *at the place* at which, they are required. There is no “obstacle” limiting the supply but the want of the application of labour, which can alone give them value.

Water is unlimited in quantity; but when produced at the time and place required a price is paid for it. The man at whose feet runs a stream of water, might, with a very small effort, raise enough to quench his thirst. The labour bestowed being very small, the exchangeable value of the product would be very trifling, yet he would not employ himself during a whole day, in performing the same operation for others, unless each person served would pay his share of the value of a day’s labour. The quantity required to obtain a single drink is so small that it can hardly be estimated, yet when it is necessary to perform the same operation as many times as are required for the supply of a family, it is found better to bestow, at once, a large quantity of it, in sinking a well, and placing a pump

therein, for the purpose of lessening the daily demand for labour. Every person in London or Philadelphia, may have as much water as he thinks fit to appropriate, from the Thames, or the Delaware, yet it is deemed much more advantageous to pay a certain sum for the use of water from reservoirs, whence it is carried by pipes to the spot at which it is wanted.

Mr. Senior says that the man who wishes a bucketfull is not required to pay for it, while he who desires it to turn his mill must do so. The man who requires a bucketfull in London, or New York, must pay for it, because labour has been applied to produce it at the place required. He who wants it to turn a mill, pays for it on the same principle. He wants a given power at a given place. The water-power of the Falls of Niagara has been running to waste for centuries, as are now thousands and tens of thousands of others, but they will not answer his purpose. He wishes power at a place that possesses those advantages which arise out of the application of labour to the making of roads and building of towns, and the rent he pays is for those advantages. The Falls of the Merrimack, or of the Clyde, would be as valueless as those of the Mississippi or Missouri, had not labour been thus applied.

Iron exists throughout the world in unlimited quantity. In the single state of Pennsylvania there is sufficient to supply the demand of the world for thousands of years, and thousands of acres filled with it have been sold for the taxes of one, two, or three cents per acre. The person who appropriates it is paid for his labour in so doing, and for changing it in form or in place, precisely as the man is paid who employs himself in making coats or waistcoats. The quantity of oil, *in its existing state*, is unlimited. Any person may fit out vessels for the whaling trade, and so long as it yields a higher return than other employments the number of vessels will continue to increase, until it shall yield only the usual wages and profits of trade.

Ice, in its existing state, is unlimited in supply, yet it is a luxury for which, at certain seasons and in certain places, a high price is paid. It is paid, however, not for the ice, but for the labour employed in collecting it: for the rent of the house in which it is kept: for the time of the person who brings it round to him, and wages to the person who superintends the operation. A ton of coal sells, in some of our cities, for six,

eight, or ten dollars, while in other places it is worth nothing. The person who pays for it, does so on the same principle as the one who pays for water. Sand is worth nothing in New Jersey, where it exists in abundance, but in some of the richest counties of Pennsylvania, it has more value than limestone, and a man desiring to build would gladly give half a dozen loads of the one for a single load of the other. In New Jersey, acres of sand would be given for as many loads of lime. The sand, the lime, and the coal possess the same properties in the places in which they exist, and where they may be had for little more than the labour of appropriation—they have the same power to be useful—but they have no value. The persons who appropriate them and change their place, are paid for so doing, but they can earn no more, in return for their labour, than the shoemaker or the tailor—perhaps not so much. There is no “limitation of supply” at the place at which they are found, and the only circumstance which can limit it at the place of consumption, is the indisposition of those who have occasion for them to give to those who desire to *produce* them as many hats, or shoes, or wheat, as they could earn by producing hats, shoes, or wheat for themselves.

In all these cases value is given to commodities that previously had none; but that value is limited to the wages of labour, and to the usual profit on capital employed. If there be not a supply fully equal to the demand—if “limitation of supply” be permitted to raise the price in even a very small degree above that limit,—some of those who are consumers become producers, and the price is reduced to the mere value of the labour required for its production. If the man who employs himself in raising wheat cannot obtain in exchange therefor as many hats, or coats, or shoes, as he could obtain by employing himself in making those articles, he will relinquish cultivation. If the maker of hats cannot obtain as much wheat in return for his labour as if he employed himself directly in its production, he will apply his labour thereto. Different commodities require different quantities of labour for their production—thus gold is less easily obtained than silver, and iron less easily than sand or clay—but the value of gold and silver—of iron and clay—is due exclusively to the labour applied to their production. So long as that which is employed in the *production* of water, ice,

fish, birds, or oil, which certainly exist in unlimited quantity, will yield to the labourer as much wheat, iron, coal, coats, or shoes, as if he had employed the same labour in the production of those commodities, it cannot be said that *they* are limited in quantity. Every man who has the value of a day's labour in iron can obtain its equivalent in coats or oil, and every man who possesses coats or oil, can obtain fish, hats, or coal. The quantity produced is only limited by the quantity of labour applied to their production, and may be increased to an unlimited extent, as the wants of man require it.

Mr. Senior agrees with the writers to whom we have already referred, in supposing that, owing to the limited supply of fertile land, there arises, as population increases, *a necessity for applying labour to cultivation, with a constantly diminishing return to labour and capital*—that those who have appropriated the superior soils are, in consequence of this necessity, enabled to demand rent for their use—and that hence arises the *value* that is attached thereto. They enjoy, as Mr. Senior supposes, a “great monopoly of land,”\* and the amount received is deemed “all pure gain.”†

In the last chapter we showed what was the effect of an *improvement* in the quality of the machinery used to aid production, supposing the settler to have commenced with an axe of flint, and to have gradually obtained those of iron and steel. This case is precisely the reverse. It is here supposed, that with the extension of cultivation there is a constant *deterioration* in the instruments used. We will now proceed to inquire what would be the manner in which this necessity for having recourse for supplies of food to *machines of constantly increasing inferiority*, would show itself, but will first examine in what manner a similar necessity in regard to the *tools* by which labour is aided, would operate.

Let us suppose that instead of commencing with axes of stone, and *rising* to those of iron and steel, the first had been of steel, but that there was a daily increasing difficulty of obtaining such, and that the settler was gradually reduced to the necessity of having recourse to “inferior” axes, *falling* from those of iron to others of stone, and see what would be the effect.

\* Outline, p. 173.

† Ibid. p. 187.

I. With every increase in the necessity for axes, there would be an increased difficulty in obtaining one capable of doing the usual quantity of work.

II. Every new axe being worse than those previously used, there would be a constantly diminishing return to labour.

III. Each year would see an increase in the value, estimated in labour, of all previously existing axes.

IV. Each year the owner of those of steel, or of iron, would be enabled to demand a larger proportion of the product of labour in return for the loan of one.

V. Each year there would be a *diminished proportion retained by the labourer*, attended by a constant diminution in his wages.

To these propositions,\* it is presumed, there can be no objection, and we will now apply them to land.

If value therein be the result of this *necessity for having recourse to land of inferior productive power*, it must follow,

I. That with every extension of cultivation, there must be an increase in the quantity of labour required for bringing into action a quantity of land necessary to yield any given amount of food.

II. That every new farm brought into cultivation being less productive than that which had preceded it, there must be a constant diminution in the return to labour.

III. That this increased difficulty of obtaining fertile land must give to all that was previously in cultivation a tendency to attain a value exceeding that of the labour that had been required for its production.

IV. That this increased difficulty on the part of the labourer must be accompanied by a power, on the part of the owner of land, to demand a constantly increasing proportion of its produce, as rent.

V. That each year there must be a *diminution in the proportion retained by the labourer*, attended by a constantly diminishing reward of labour, or wages.

It will be perceived that these laws would be precisely the reverse of those which we have shown\* to exist in relation to every other species of capital. We will now proceed to examine the circumstances which attend the creation of value in land, and the payment of rent for its use, with a view to ascertain how far the results observed correspond therewith.

\* Ante, page 19.

## CHAPTER IV.

## OF VALUE IN LAND.

LET us suppose a few families placed in the midst of an extensive body of land, *all of equal fertility*, and that each family produces for itself all the articles necessary for its consumption, *performing no exchanges with its neighbours*. Unprovided with implements, it is with difficulty that a sufficient quantity of land is cultivated to yield them the food necessary for support. Let us suppose, however, that at the end of three years, each has prepared and brought into cultivation enough to yield two hundred bushels of grain. After a time, some of the younger branches are of age to establish themselves, and desire to extend the settlement. If equally unprovided with implements, the new farms will require an equal quantity of labour to bring them into cultivation, but if they have provided themselves with spades, it is probable that there may be a diminution of one fourth, and that the labour of 27 months will accomplish for them as much as their fathers were able to do in three years, and at the end of that time, they find themselves possessed of farms also yielding 200 bushels. If, now, another were desirous of establishing himself, and one of the farmers on No. 1 were desirous of changing his place, what would be the value of his farm? He could not ask the value of three years' labour, because that of 27 months would yield another of equal productive power. It had cost him the labour of three years, but the aid of the spade had been wanting, and 27 months' labour, aided by that implement, is now as valuable as that of three years had been. If he desired to rent it, the other party would not give him as large a *proportion* of the proceeds for the use of an article that could be obtained by 27 months' labour, as he would have done at the time when it could only be had in exchange for that of three years.

A further increase of capital takes place, and labour is now aided by a plough. A new emigration takes place, and the

parties find that by the labour of 20 months, they can prepare farms that will yield 200 bushels per annum. The value of the old farms will now fall to 20 months' labour, and the *proportion* to be given as rent will fall with it. Each addition to the capital of the community will be attended with a diminution of the cost of a farm of any given productive power, and by a diminution in the proportion that can be demanded as rent.

We have supposed that the owners of farms first brought into action had allowed them to remain stationary, producing only 200 bushels each, while the others were in preparation. Such, however, would not be the case. By the use of the spade the owners of farm No. 1. would be able, without increased labour, to produce 250 bushels, while those of No. 2 were preparing farms for the production of 200 bushels. What would now be the value of No. 1. ? If the labour of 27 months sufficed to prepare as much land as would yield two hundred bushels, that of  $33\frac{1}{2}$  months would be sufficient to prepare enough to yield 250 bushels, and the value of No. 1. could not exceed the quantity of labour necessary to produce a farm equal to itself in productive power. If the owner wished to rent it, what proportion of the proceeds would he now receive ? Let us suppose, that, when three years were necessary for its production, he had been able to obtain one fourth of its product. If, then, a man would be willing to give one fourth for the use of a machine, value 36 months of labour, what proportion would be given for the use of one, whose value was only  $33\frac{1}{2}$  months ? It would be twenty-three per cent. The owner who received 50 bushels, when it yielded only 200, would receive now 57, when it yielded 250, and the occupant who had been accustomed to retain 150, would now have 193 as wages of labour, aided by a spade.

The use of the plough would enable No. 1 to increase his production to 300 bushels, during the time that the land of No. 3 was being brought into action. No. 3, being able to obtain a farm of 200 bushels with the labour of 20 months, he could, of course, prepare one for 300 bushels with the labour of 30 months, and such would now be the value of No. 1. If the owner of the latter desired to rent it, he could not now claim as large a *proportion* of the proceeds as he had before done, because

its value in labour had diminished. He would perhaps have 21 per cent. of the product, giving him 63 bushels, and leaving to the occupant 237, as the return for his labour, aided by the spade and the plough.

The *value* of No. 1, when first produced for cultivation, was three years' labour, and as that of one year was worth 150 bushels of wheat, the *price* of the farm in wheat would have been 450 bushels, or nine years' purchase of the 50 bushels received as rent. The value in labour being now 30 months, and a year's labour being worth 237 bushels, its *price* in wheat would be nearly 600 bushels.

Here we find that the *value* of the farm in labour had fallen, and that the owner could not obtain in exchange for it as much as at first; nor could he have as rent so large a *proportion* of the produce. Labour had, however, by the aid of the plough and the spade, been rendered so much more productive, that this reduced proportion was attended with an increase of more than 25 per cent. in the *quantity* of commodities, rent having advanced from 50 to 63 bushels.

If wheat were the commodity adopted as the standard of comparison, the *price* of the farm would have risen. The increased productiveness of labour applied to cultivation, having lessened the cost of production of that commodity, the effect would be a general rise of prices. That of the farm, which was originally only 450 bushels, would now be about 600 bushels.

*Labour, being thus aided by improved implements, had improved in its quality. Farms were more readily produced than they had been, and the consequence was a diminution in the value, in labour, of all previously existing farms, and a like diminution in the proportion of the product that could be claimed by the proprietor, as rent, for its use. The course of operation here is precisely the same as that produced by the improvements in the quality of axes before described.\**

Let us now suppose the same community, upon the same land, with the difference that the system of exchange is established among the different families of which it is composed. After a

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\* Ante, page 19.



short time, it is found expedient to establish a store, at which the producer of wheat can obtain a spade, and the producer of spades can exchange them for wheat. The necessity for transporting their produce to this place of exchange, causes the owners of the farms in the vicinity, to make roads leading to it, at considerable cost of labour. These roads tend to facilitate the approach to the same place of those persons who may subsequently appropriate to themselves the lands that remain uncultivated. When the time arrives for the formation of settlements No. 2, a little further removed, their owners find roads leading through No. 1, ready for their use. No. 2, being able by the labour of 27 months, aided by a spade, to obtain a farm that will yield 200 bushels, it follows that by the same quantity of labour, (three years) originally bestowed on No. 1, he could have a farm that would yield him 267 bushels. He desires, however, to exchange a part of his produce at the store for such articles as he does not produce, and the cost of transporting that part is equal to 25 bushels. He has therefore only 242 bushels, or the value of that quantity in other commodities, for his consumption.

The two parties produce *on their farms* quantities precisely equal, but No. 1 has the benefit arising out of the consumption of 25 bushels more than the other. To what is this due? Not to any difference of land, because the soils are exactly equal, and yield the same quantity, but to the additional capital and labour employed upon his land, and at the store in facilitating exchanges. The establishment of a store—or the building of a factory—is more advantageous than the *same quantity* of capital applied to the construction of the best description of road. The latter enables the farmer to take his produce to market, whereas the former brings the market to him. The store being placed in the centre of the settlement, those nearest to it, who have been engaged for some years in making roads and accumulating the capital which caused its establishment, now derive advantage therefrom in having 25 bushels of wheat, per annum, more than those whose farms are more recent, and who have contributed but little to the roads and other improvements.

Had No. 1 wished to rent his farm when it produced him only 200 bushels, he would have obtained one fourth of the

proceeds, or 50 bushels. The increased facility of obtaining farms having lessened their value in labour, No. 2 could not obtain for the use of one yielding 242 bushels more than 23 per cent. of the produce of his land, say 56 bushels, leaving the labourer 186 for his year's work. If 186 bushels be the value of one year's labour, No. 1 may receive 81 bushels as the rent of his farm, leaving the occupant 186, whereas the tenant could have had only 150 when he first occupied it, and paid only 50 bushels.

No. 2 would improve his roads, and increase his farm. With the aid of a plough he would greatly increase his production, and by expending labour upon his roads, he would diminish the cost of exchanging it. The effect would be to facilitate the communications of No. 3, who would now, with the aid of the spade and plough, be able to obtain in 20 months a farm of 200 bushels, or, at the cost of three years' labour, one that would yield him 360 bushels. Having a large quantity to exchange, and a greater distance to transport it, the cost might be, notwithstanding the improvements of the roads by No. 2, 60 bushels, leaving 300 as the return to a year's labour. The three farms being thus produced, and labour being aided in all cases by the same machinery, the returns *on the land* will be equal.

No. 1, we will suppose to yield now,	360
2,       -       -       -       -       -	360
deduct for transportation of that part which was to be exchanged,       -       -       -	30
	<hr/>
	330
3,       -       -       -       -	360
deduct transportation,	60
	<hr/>
	300

Three years' labour would now produce a farm capable of yielding a net income of 300 bushels, whereas, originally, it would produce one capable of yielding only 200 bushels. The effect of this increased value of labour would be, as before shown, to diminish the *proportion* that could be required by the owner, and No. 3 could not now obtain more than 21 per cent. of the proceeds, say 63 bushels, leaving 237 to the labourer. If the owner of No. 2 desired to rent it, he might claim of the

occupant all, or nearly all, that it would yield over 237 bushels, the value of a year's labour employed upon No. 3, say 93 bushels as rent, or interest for the capital he had expended. No. 1 might claim 123 bushels from the occupant, who would still retain 237 as wages.

The capital applied to the improvement of the roads, and the facilitation of exchanges, has had the same effect as if the owner had appropriated a larger quantity of land, and improved his machinery to such an extent as to enable an individual to cultivate that increased quantity. A whole year's labour expended upon No. 3, will produce *net* only 300 bushels, whereas it will, upon No. 1, produce 360, equal to one and one-fifth labourers. The capital expended aids production to the extent of one-fifth of a labourer, and the owner claims the product of the aid thus afforded, or 60 bushels more than would be paid for the use of No. 3.

The value of a year's labour being 237 bushels, and three years' labour being the cost of farm No. 3, its value would be 711 bushels, yielding 63 as interest. No. 2, yielding 93 bushels as rent, would now be worth 1050 bushels, or about 4½ years' labour, and No. 1, giving a rent of 123 bushels, the labour of six years, or about 1400 bushels. The owner of No. 1 had, however, been nine years employed in bringing his farm into the condition in which it now exists, and No. 2 had been six years. Their value in labour, is therefore less than their cost, because it could not exceed that of producing another of similar productive power, and the improved implements had tended to lessen the labour required for so doing.

The extension of the settlement to No. 4, would be attended with similar effects. No. 1 would improve his roads and his farm. No. 2 would benefit thereby, and go on to improve his own. No. 3 would do the same, and No. 4 would be brought into action. Its occupant would be enabled, in consequence of increased capital in the form of agricultural instruments, to appropriate a farm that would yield him 410 bushels. The cost of transportation would be 90, and there would remain 320. No. 3 would yield net 350—No. 2, 380, and No. 1, 410. The wages of labour would rise to 256 bushels.

Say, No. 1,	-	-	-	-	-	410
2,	-	-	-	410		
less transportation,				30		
						380
3,	-	-		410		
less transportation,				60		
						350
4,	-	-		410		
less transportation,				90		
						320

Rent on No. 4 would be 20 per cent. on the net product, say 64 bushels, leaving 256 to the labourer—No. 3 might pay 94 bushels—No. 2, 124—and No. 1, 154 bushels, leaving in each case the same quantity, as wages, to the occupant. A year's labour being worth 256 bushels, and 3 years being required to produce a farm like No. 4, its value would be 768 bushels, yielding 64 as rent. No. 3, yielding 94 bushels, would now be worth  $4\frac{1}{2}$  years—No. 2, 6 years, and No. 1,  $7\frac{1}{2}$  years' labour, or 1920 bushels. The quantity actually bestowed upon them, has, however, been 3—6—9 and 12 years.\*

Nos. 1, 2, and 3, enjoy what are termed *advantages of situation*—i. e. they have had capital applied in the form of stores, roads, &c., to facilitate the exchange of their productions for the commodities desired by the producers.

\* It is not to be supposed that changes such as are here described, take place in the short period of twelve years. On the contrary, several generations are likely to pass away before they are accomplished. We suppose No. 1 to have had twelve years of labour actually applied to its improvement, independently of the time occupied in raising the means of subsistence. Allowing 48 years to have elapsed from the time of commencing the settlement, the first three years of which were exclusively applied to the preparation of the farm No. 1, there will remain 9 years labour to be taken from the remaining 45, or one-fifth of that of the proprietor for the whole term. No. 2 will have had 33 years—the first three wholly devoted to it, and one-fifth of the remaining 30—and No. 3, 18 years, three of which exclusively thus occupied, and one-fifth of the remaining fifteen years, making six years in the whole.

During the 45 years, wages have risen from 150 to 256 bushels, the average being 203. The owner having applied one-fifth of his labour, has thus given about 40 bushels per annum to the *permanent* improvements of his farm, to the making of roads, &c., &c. Its original value was 450 bushels, and to this has been added, for 45 years, a contribution of 40, making 1800. The total cost is, therefore, 2250 bushels, but the value is 1920 only.

We here see that as the productiveness of labour increases, the value, in labour, of existing capital, falls below the cost, and the proportion of the product that can be claimed as rent, decreases. When a year's labour would yield only 200 bushels, the owner could claim 50, but when it yields 320, he can claim only 64. In the one case the wages of the labourer were only 150, whereas, in the other, they are 256.

The owners of Nos. 1, 2, and 3 claim a considerable portion, if not the whole, of what is yielded by them over what can be obtained from No. 4. This extra compensation is the reward of the extra labour they have expended in making of roads, &c., by which their property has acquired advantages of situation. Those advantages belong to those lands,—as much so as if their owners had applied the same capital to building houses, or barns, upon them. The owners of No. 4 and No. 1 are situated in relation to each other as would be those of two farms equal in extent and fertility, upon one of which there were houses and barns, while upon the other there were none. Their power of yielding crops being precisely equal, a person desiring to rent one would first see how much he could pay for that power, and would then estimate the value of the buildings to him. It might be more advantageous for him to give one-third of the product for one, than one-sixth for the other. The proportions of rent and of wages are fixed by the *average* product of labour, and where there is one farm enjoying the advantage of the immediate proximity of the store, or place of exchange, there are a hundred in the situation of Nos. 3, 4, 5, and 6. A property that will yield more than the average return, will pay as rent more than an average proportion, while one below the standard will yield less than an average proportion to the owner. Adjoining No. 1, there might be land that, notwithstanding all the expenditure upon roads, would yield only 256 bushels in return to a year's labour. No person would cultivate it unless he could retain the whole proceeds. It would be below the standard, as No. 1 was above it.

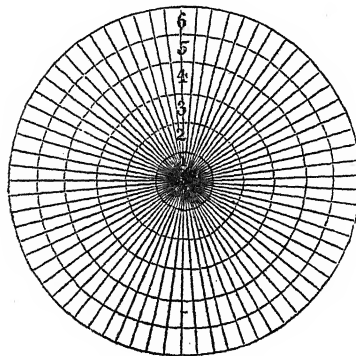
In a community possessed of axes made of iron, the return to labour would be fixed by its average product, when aided by such an instrument. If, however, one member of it, by the devotion of time and talent, should succeed in obtaining one of

iron and steel, he would demand and receive more than the average return for its use, while no man would use one made of flint, even were he allowed to retain the whole proceeds.

Here we find the same result that we have before submitted to the reader's consideration. As labour is improved in its quality by the aid of improved instruments, all previously accumulated capital *tends* to fall below its cost, in labour, and there is a constant diminution in the proportion that can be claimed as rent for its use. The additional capital constantly applied to the improvement of the farms first occupied, whether in the form of houses and barns, or improved roads; in stores or places of exchange; tends to maintain their value, which is, however, not equal to the cost of production.

With every increase in the facility of obtaining axes, the value of those previously existing would fall, but if the owner of them were to add constantly to his number, he would have a constantly increasing income. His stock would, however, not have a value equal to the cost of production.

We will now proceed to examine the circumstances under which lands of different degrees of fertility are brought into action. The following diagram represents a settlement, embracing lands of various distances from the town, or centre of capital, marked Nos. 1 to 6, and in each of those divisions we may suppose soils of various degrees of fertility, from the first to the fiftieth, or the one hundredth.



When land of the first degree of fertility would produce to the cultivator in return for a given amount of labour 200 bushels of grain, that of the second degree would, under similar circumstances, yield only 190—the third, 180—the fourth, 170, and so on. The occupant of lands of the first quality is obliged to expend a part of his income in making roads, from which that of the second quality derives benefit. Cultivation being extended over lands of the highest fertility, in district No. 1, the spade and the plough applied to the best soils of No. 2, enable the cultivator to produce, at much less cost of labour than had been required before those implements had been obtained, farms capable of yielding 200 bushels; or, with the same quantity of labour, those that will yield much more largely, as we have already shown.

From this product is, however, to be deducted the cost of transportation, from which the inferior lands of district No. 1 are exempt, having the advantage of the improvements that have been made by the occupants of the most fertile soils. The use of the spade and the plough enables the owners of those of the second degree of fertility to produce from them crops somewhat inferior in quantity to those of the best soils of No. 2; but the difference of distance makes amends therefor, and thus lands of that quality come into action at the same time with those of superior fertility, but more distant. The same causes bring those of the third degree of fertility into action, at the same time with the best soils that are No. 3 in point of distance, and so on until the whole are cultivated. If the occupant of lands of third quality, near the settlement, can produce *at market* a larger quantity than he can by cultivating those of the first quality more distant, he will of course prefer them. The question with him is, not how much grain he can cause to grow, but how much *value* he can produce with a given quantity of labour.

It has been shown, that when all land is of equal fertility, the extension of cultivation over those more distant, is accompanied by a constant increase in the facility of obtaining farms, and a constant reduction in the labour value of those previously existing. In the territory to which we have referred, such must also be the case, so far as relates to the most fertile

lands, and as cultivation is extended from district No. 1 to No. 2 and No. 3, those effects will be observed. Difference of distance is made amends for by improved implements, and means of transportation; and the same effect must obviously be produced as lands of inferior fertility are brought into action. Proximity makes amends for difference of soil, as no man would cultivate land of second fertility, unless it would yield as much as he could obtain upon those of the first quality a little more distant. With every extension of cultivation on fertile, but more distant lands, those of inferior fertility near the settlement are brought into action. Improved implements and improved modes of cultivation enable the occupants of the latter to obtain a constantly increasing return to labour, and improved roads and implements produce the same effect upon the former, and thus when land of the tenth degree of fertility, in the neighbourhood of the settlement, is cultivated, the occupant has a much larger return for his labour than could be had when only that of the first quality was in cultivation. Farms are then obtained with less labour—the value of those previously existing is much below the labour that had been required to produce them—the proportion claimed by the owner is smaller\*—and that retained by the occupant is greater than it had ever been. The same results obtain, in fact, that we have described at page 32. *There, as lands equal in quality, but differing in distance, came into cultivation, the return to labour was constantly increasing, and here the same effect is produced as lands equal in distance, but differing in fertility, are brought forward. As population and capital increase, resort is had to lands constantly decreasing in their original quali-*

\* This diminution of the proportion retained by the landlord, is of such universal occurrence, that it is hardly necessary to offer here any proof of the fact. Mr. Malthus says,

‘According to the returns lately made to the Board of Agriculture, the average proportion which rent bears to the value of the whole produce seems not to exceed one-fifth; whereas formerly, when there was less capital employed and less value produced, the proportion amounted to one-fourth, one-third, or even two-fifths.’—*Principles*, p. 117.

It is, however, deemed by him an evidence of the diminished power of the land to yield a return to labour, and of an increased difficulty of obtaining food, whereas it universally accompanies an increase in the productiveness of labour and capital, however applied.



ties, but made to yield, by improved management, a constantly increasing return to labour.\*

The soils first cultivated are very frequently not those of highest fertility. It is well known that the rich bottom lands of the west, covered as they are with large timber, are not those most sought after. The settler prefers that which is somewhat inferior, but which is clear and ready for cultivation. Timber is, therefore, an objection to him, and he will take land of second or third quality, ready for use, rather than No. 1, that requires to be cleared. After a time, when roads are made, and considerable capital has been expended, that which is covered with timber begins to obtain value equal to the amount of labour that is required to clear it. The trees are cut down and burnt, and the cultivator ploughs among their stumps. A further increase of capital in the form of roads, enables those that are near the town to sell it as firewood, and it pays some part of the expense of clearing. An extension of the road brings into action timber that is somewhat more distant, and the effect would be, to lessen the value of that nearer the settlement,

\* Of the effect of labour in giving value to soils for which nature has done nothing, some idea may be formed from the fact, that some of the most productive land in Europe was formerly a mere sandy heath.

‘Every man, who has been far from home, must have observed, on every barren heath, some spots surrounding cottages, which exhibit marks of productivity, forming a striking contrast with the sterility that surrounds them. If inquiry has been made, it has been found that at one period all was alike barren; that the difference has been created solely by the application of human labour; and further, ‘the practicability of achieving the object of bringing our waste lands to a degree of highly productive cultivation, and with an enduring profit, after a course of years of perseverance, may be inferred from what has been performed in other countries, at no great distance from our own. In the Netherlands, the district called Maesland, between Ghent and Antwerp, is a mere agricultural country. *It is better peopled, better cultivated, and more productive, than any other spot in Europe of similar extent. It was, in the time of the civil wars in Flanders, a mere sandy heath, without inhabitants, without cultivation, and without live stock.* The change has been effected by persevering labour throughout many generations; and the results of that labour are most strikingly exhibited in the fruitful fields, the beautiful cattle, the healthful and cleanly population, the comfortable residences, and all the other marks of rural prosperity.’—*Jacob on Cultivation of Poor Soils, Quoted in Gaskell's Artisans and Machinery, p. 47.*

were it not that the increased capital enables the owner to erect a saw-mill, by which to convert it into lumber for building houses. The road is extended, and timber No. 4 is brought forward, but the greater improvements made on the road to Nos. 1, 2, and 3, the rapid increase of capital in their vicinity, give new facilities for transporting their product to market. No. 5 and No. 6 come forward gradually, and in each case the further improvements in the vicinity of those first occupied, tend to preserve the value they had acquired, and even to increase it, although accompanied, as in the case of cultivated land, with a value, in labour, much below what has been expended for its benefit.

During this time, there are probably large bodies of land that are totally valueless. Some contain clay fit for making porcelain, and others granite, iron, or coal. They are totally neglected. The settlers are surrounded with the means of making axes of iron, but are obliged to content themselves with those of stone. The ore is in an inferior soil, that will yield no return to labour. Year after year, and perhaps century after century, passes away, during which time capital is invested in roads through them, yet they yield nothing to the owner in return for the taxes paid, or for the sums invested for their benefit. At length a canal is made, or a rail road is built, and this land begins to have value. Further application of capital increases it, and at length manufactories are built, and the iron and coal are brought into action, yielding a return corresponding, in some degree, to the great amount of capital that has been applied to their improvement.

These mines will not, however, be worked, unless they will yield as high wages as can be obtained by cultivation. When they are so, these "very inferior soils" yield wages far greater than were to be obtained when only those of the first degree of fertility were cultivated. At first, their value, even when worked, will be small, but the constant increase of capital applied to facilitate the transportation of their products to market, whether in the form of coal, or iron, or hardware, will tend to increase their value, until it may rise to hundreds of dollars, or pounds, per acre. If, however, an estimate were made of the amount of capital that had been, for centuries, applied to

their improvement, it would be found that their value was far short of their actual cost.

The increase of manufactures would produce an increase of demand for houses, and masses of granite that for centuries had been valueless, would be brought into activity. A rail road applied to facilitate the transport of stone to market would now give to this "inferior soil" a value vastly greater than that of the most fertile land. Clay for making bricks, or for the manufacture of porcelain, would also be rendered valuable, in consequence of the large amount of capital now applied, and an acre would perhaps purchase half a dozen acres of land of the highest degree of fertility.

This increase might take place in those near to a city, when capital was largely applied, while other bodies of coal or iron—of granite or clay—a few miles more distant, were almost, if not entirely, valueless. The more distant coal would be in precisely the situation of the lower strata of a coal field, the highest stratum of which was now in activity. Increased capital in the form of steam engines would give value in the one case, while rail roads would give it in the other.

It has been objected, that what is paid for the right of working coal mines cannot be considered in the light of rent, but rather as a compensation for the right of abstracting that only property which gives value to the soil. How far this view is correct, will be seen by a comparison of the course of operation in regard to land susceptible of cultivation, and that whose value arises from coal, or iron. The owner of the former applies a portion of its products in the form of manure, to keep the soil in condition to produce equal, if not superior, crops. If he fail to do this, the productive power is destroyed, and the land ceases to have value, or to yield rent. If the owner of a coal mine expend the whole proceeds, and allow his beds to be worked out, it in like manner ceases to produce rent; but if he follow the example of the farmer, in investing a portion of the produce in the continuation of his shaft, he finds new seams of coal, and a continued increase in the ability to yield rent, as has been the case with the coal mines of England. The shafts are constantly being sunk deeper, accompanied by constantly increasing value in the land, which is vastly greater now, when

they are obliged to go to the depth of 100 or 150 fathoms, than they were half a century since, when such expenditure was unnecessary. Many bodies of land then abandoned as valueless, are now worked with great advantage, and that such will be the case in future, there is no room to doubt. Improved means of working will enable the proprietors to raise their coal from depths far greater than those of the present shafts, and to draw revenues therefrom, perhaps as far exceeding those of the present time, as the latter exceed those of the last century.

Here we find precisely the same state of things that occurs in regard to land employed in agriculture. The lower strata of coal are in the situation of the dormant powers of land subjected to cultivation. When coal mines are worked with indifferent machinery, capable of extracting the coal from only a moderate depth, the land is soon worked out, and abandoned. Increased capital enables the miner to descend double the distance, and the value is now greater than at first. A further application of capital enables him to descend successively 300, 500, 600, 1000, or 1500 feet, and with every successive application the property acquires a higher value, notwithstanding the quantity of coal that has been taken out. In like manner the value of land rises as capital is applied. When the cultivator is provided with a stick only to aid him, he can with difficulty produce sufficient to keep him from starving—a spade enables him to make better wages—a plough increases them still more, and he now obtains 20 bushels to the acre with less labour than had before been necessary to produce ten. The successive additions of the horse-rake, the scythe, &c., &c., and the facility of transporting manure, increase the product, and he produces thirty bushels per acre. Thus we see that the circumstances attendant upon land worked for coal, iron, or copper, do not vary in any respect from that worked for wheat, rye, or oats.

A water power, beyond the limits of settlement, has powers as great as they can ever become, but they are not wanted, and have no exchangeable value. A few years afterwards we find that population has extended itself to or beyond it; that capital has been brought with population; and that roads have been made. The water power has become valuable, not because

its power is so, but because capital has been applied, in various forms, towards the making of roads. A further increase of capital brings a large increase of population, and it becomes the centre of a flourishing manufacturing district, as that of Lowell has become. The natural agent has nothing that it did not possess forty, or four hundred, years before, but capital has rendered its powers productive.

In building the first store, or place of exchange, the owner would experience all the difficulties attendant upon the want of machinery for the transportation of materials—for the burning of bricks, or sawing of lumber—and from the necessity of using an axe instead of a plane, or of a saw. When the trade of the settlement had increased so far as to render it expedient to have a second, the *lots* immediately adjoining would have acquired, from the expenditure of the owner of the first, a value fully equal, except the mere value of the building. These lots are therefore *produced* to their owners at much less cost than the first had been, and if the increased means of the settlement had diminished the quantity of labour required for producing a building similar to the first, there would be a further saving. The second building being erected, the exchangeable value of the first, in labour, would be only as much as No. 2 had cost, being much less than the owner had expended upon it. The third would be built with less labour than the second, and the fourth with still less, and the man who wished to rent the last, would give a much smaller proportion of the products of his business, as rent, than the first would have been willing to do. He would require to keep as much as would give him the ordinary rate of wages in the settlement for similar applications of time and talent, and as only half as much labour would now be required to produce a house, the owner could not demand so large a proportion of the proceeds of the labour applied to the sale of merchandise. The laws by which houses and lots are governed, are thus precisely similar to those which govern lands, mines, &c.

The value of property in and near towns and cities is liable to be greatly affected by the investment of capital elsewhere, by which trade is attracted in another direction, and by which they lose their advantages of situation. After the first store has

been built, if another trader, more active and better supplied with capital to conduct his business, were to establish himself at a few miles distant, he might gradually attract trade to his place, and the proprietor of farm No. 1, the immediate neighbour of the first, might find that the activity of the storekeeper on No. 6 had caused that land to assume the place of No. 1, and had placed himself in the situation of greatest distance from the best market. Such cases have occurred repeatedly, and will continue to occur. Lands in the vicinity of Tyre, of Rome, of Venice, and of Antwerp, possessed those advantages of situation that are now enjoyed by those in the neighbourhood of London and Liverpool, New York and Philadelphia; arising from abundant capital, by which they were rendered valuable.

The great city of Granada, and the capital employed by its merchants, enlivened the whole of that kingdom, and aided in giving value to all the land. Granada is now deserted; its commerce is fled, and with it the value of the land.

Lieutenant Burnes thus describes the change of a single century in India. 'Such has been the gradual decay of this mighty city, [Tatta] so populous in the early part of the last century, in the days of Nadir Shah. The country in its vicinity lies neglected, and but a small portion of it is brought under tillage.\* He says 'immense tracts of the richest soil lie in a state of nature.' If the reader will turn to the same traveller's description of the great city of Balkh, he will find another strong instance. He will there see the remains of the great improvements that gave value to land that now lies totally unimproved and valueless. A moment's reflection will furnish an infinite number of cases of a similar kind, as Bagdad, Palmyra, Alexandria, &c. Labour and capital give value to land near Lowell, or Manchester, while their abstraction destroys that which had been given to the vicinity of Salamanca, or Toledo. The natural powers remain the same, but they have no value.

The banks of rivers possess natural advantages which are supposed to be the causes of rent being paid. We will examine how far this is correct. A settlement takes place

\* Travels into Bokhara, Vol. I. p. 31. Am. edition.

in a situation of that kind, and the occupants are scattered over a distance of several miles. So long as their wants are satisfied within themselves, it is evident that the river can be of no use to them for the purposes of exchange, and it is of little importance whether they are near to, or distant from it. When they begin to trade with each other, without any common centre, the river becomes useful, because it facilitates the arrangements they wish to make, but there is still no difference in the value of any of the properties along its banks. After a time it is found that a much more convenient mode of operation would be to have a common centre, where all parties could meet for the purpose of performing their exchanges. Immediately upon this, the property near that centre rises in value, because of the capital employed in building the store house, and in supplying it with merchandise. The people who had settled inland, would find themselves now, at the distance of two miles, more remote from the place of exchange, so far as regarded the cost of transportation, than were those at five miles distance along the river, and rents upon its banks would be higher than those inland, by nearly the whole difference. Here it will be said that rent is paid for the natural advantages arising out of the proximity of the river, but it is really for the accidental one, arising out of the location of the capital. The tendency of capital is to diffuse itself equally in all directions, but natural obstacles may and do obstruct it. It passes freely along a river, but its passage may be intercepted by a mountain, beyond which its influence may be but slightly, if at all, felt. Two valleys may run parallel to each other; both may have streams of water passing through them, and the natural advantages of both may be the same; yet one may have had a manufacturing town, or a city, located in it, and have thus become the centre of business, while the produce of the other has to surmount the hill, or mountain, that separates them. The owner of land on the Ohio finds it better, at one time, to send his produce to Philadelphia or Baltimore, rejecting the use of his natural advantages; at another the application of capital in the form of a steamboat, doubles the value of his property, by enabling him to convey its produce cheaply to New Orleans: at a third it is again increased by

the making of a canal, which enables him to reject entirely the use of the route which nature has provided, and to send it by canal and rail road to Philadelphia. The natural advantages of property on Lake Ontario are very great, but the smaller capital of Montreal, passing up the bed of the St. Lawrence, is not felt with as much intensity as is that of New York, even with the disadvantage of the interference of various natural obstacles. Should capital be applied in sufficient quantity through the whole distance, the attraction towards New York will be irresistible; the use of natural advantages will be entirely relinquished, and rents in New York will rise in consequence of the capital so employed. The situation of Baltimore is more favourable for a trade with the West than that of Philadelphia, but capital to a great amount has been applied, and the trade is attracted to the latter city. The natural advantages of the Seine are trifling, yet property near Paris is high, while that on the Rhone, or the Loire, for which nature has done as much, is of small value.

Rivers cannot be cause of value, as they frequently fail totally to give it. The Amazon does not give it to the land on its banks, nor does the Indus. The latter is vastly larger than the Ganges, yet it is not even used. Lieutenant Burnes says, that in Sind, 'the villages within reach of the inundation are large and numerous, and including the whole face of the country there cannot be less than a million of human beings.\* Yet there is no trade carried on by water in this country, and there are consequently no boats.†' In describing the Punjab, which 'yields more grain than is necessary for the consumption of its inhabitants, and where camels, mules, horses and cattle abound,' and 'are of superior description,' he says 'the Indus and all other rivers are navigable, but not navigated.‡'

There may be, on the same stream, in one place, a powerful water-fall; excellent timber in a second; coal in a third, &c. If the first capitalist that comes there chance to be a miller, the settlement may be formed around his mill, and the advantages of situation possessed by land in the neighbourhood of it will be very considerable. It may happen that the settle-

\* Travels in Bokhara, Vol. I. 146. † Ibid, Vol. I. p. 80. ‡ Ibid, Vol. I. p. 149.



ment is placed in the situation most advantageous for the preparation of lumber, and then land in that neighbourhood will be most valuable ; and so, in another place, if coal should be the attraction. What are called natural advantages, like fertile soils, are dependant for their value wholly upon the application of labour and capital, and we cannot attribute to them the payment of rent. The situation that is most convenient to fertile lands may be of most value to-day ; to-morrow the neighbourhood of a mass of granite may attract capital, and soon after both may be eclipsed by its investment in the coal trade, requiring a different place of business. The labour employed on the superior soils of the South of England gave value to town lots that are now restored to cultivation, while the coal and iron of the north, have attracted capital that has given immense value to land on the Mersey, that was before valueless, notwithstanding those natural advantages. If, however, we examine the cost at which this coal and iron have been brought into activity, we shall find that it far—very far—exceeds their present value.

Land of the first quality may be cut off from market, and be without value, because of impediments that may be removed by the aid of capital. All the fertile lands of the Red River were deemed worthless, because of the difficulties arising out of *the raft*,\* that prevented its navigation. Labour and skill have been applied, and the difficulty is removed, a consequence of which is that they are becoming very valuable, although their fertility is no greater than before.

Advantage of situation will always be found to be only proximity of capital, and the same effect is produced, whether it be brought to the land, or the land be brought to it, by making good roads, or canals. In the case of those on the Red river, there might be equal fertility, but the value would be comparatively small, were it not for the capital invested in steamboats, by which their produce is carried to market. Were the occupants obliged to depend upon keel boats, as was formerly the case

\* The Raft was an immense mass of timber, accumulated during many ages, tha occupied the bed of the river for above 150 miles, and entirely prevented its navigation. It has recently been removed, at very considerable cost.

on the Ohio and Mississippi, a large portion of the produce would be absorbed by the cost of transportation. Proximity of capital enables the cultivator to exchange his products readily for those commodities which he requires for his own consumption and that of his family, and thus land of the sixth degree of fertility, in the neighbourhood of London, yields a larger quantity of commodities, in return to labour, than can be obtained from that of the first degree in Illinois. Every acre of land throughout the world may be made to pay rent by the application of labour to its improvement, or to facilitating the exchange of its products, while the most fertile soils to which labour has not been applied, can command no rent, and have no value to render them worth the labour of appropriation.

The man who *appropriates* a distant soil expends labour in so doing, precisely as does another who appropriates whales, or fish, or birds. The whaleman must be able to exchange his oil for as many hats, or coats, as he could have obtained by any other pursuit, or he will have misspent his time. In like manner, he who goes to a distant land and appropriates it, must obtain something which he could exchange for hats and coats, equal in value to the labour he has bestowed, or he will have wasted his time. Every man who came out with William Penn gave a certain quantity of time and of money in the search of this distant land, and that which he received in return should have been worth the labour thus given. We shall, however, show that such was not the case—that the whole colony would not, thirty years after, sell for one fourth of the cost of production, and that such has been the case with colonies in general. *If land possessed exchangeable value, independently of the labour applied to its appropriation and improvement, Penn should have had it in his power to sell it for a large advance upon its cost, whereas he would gladly have sold at a heavy loss.*

The man who sells oil makes no charge for its natural qualities. In estimating its cost he puts down the value of the labour employed in its pursuit, and such is its value. The cost of steam consists in the quantity of labour applied to producing the engine and the fuel, and in managing the engine. The man who sells oil and steam is in reality paid for the *labour* employed in producing them. They exist in boundless quantity, and their value in exchange arises out of the labour so employed.

Such is the case with land, and he who pays rent for its use pays only interest upon the labour that has been employed in its production, by which it has been rendered a marketable commodity, for which hats, shoes, coats, or money, can be had in exchange.

If the views we have thus submitted are correct, landed property must be subject to the same laws which govern the accumulated product of labour invested in the form of axes, ploughs, and other implements, and which we have already stated.\* If so, with the increase of capital and extension of cultivation, there must be *an improvement* in the condition of the labourer—*an increased facility* of obtaining landed or other capital—*an increase* in the amount of commodities obtainable for the use of any given amount of capital,—accompanied by *a diminution* in the labour value of pre-existing capital, and *a diminution in the proportion* of the product of labour that can be claimed as rent, or interest, for its use. If, on the contrary, the value of land results from limitation of supply, rendering it necessary, with the increase of population, to apply labour and capital with a diminished return, there must be with the extension of cultivation, *a deterioration* in the condition of the labourer—*a diminished facility* of obtaining landed or other capital—*a decrease* in the amount of commodities obtainable for the use of a given quantity of capital—accompanied by *an increase* in the value of land, more rapid than would result from the labour applied to its improvement, and a power of demanding *a constantly increasing proportion* of the product of labour, as rent, for its use. In the one case there must exist *a power of extending cultivation with a constantly increasing return to labour*, and in the other a *necessity for applying labour with a constantly diminishing return*.

For the purpose of ascertaining which of these views is in accordance with the facts offered to our consideration throughout the world, in past and present times, we propose now to inquire what has been the change produced upon wages and profits by the extension of cultivation, and whether the present value of landed property exceeds or falls short of the value of the quantity of labour required for its *reproduction*, were it again in a state of nature.

\* Ante, page 19.

## CHAPTER V.

## EFFECTS OF THE EXTENSION OF CULTIVATION UPON THE WAGES OF LABOUR.

A body of emigrants landing on the shores of a new country, moderately provided with capital in the form of agricultural implements, find themselves, like the individual described at page 7, abundantly supplied with fertile land, but find also to their cost, that land is not sufficient for them, and that they can with the utmost difficulty obtain the means of supporting life. Such was the condition of the first emigrants to Virginia, and North Carolina—to Canada,\*—and such has been the condition of all nations, when a limited population enabled them to limit their cultivation to the most fertile lands, but when a more limited capital prevented them from cultivating those lands advantageously.† Such is the condition of all those whose moderate population places them now in a condition nearly similar, to wit, Poland, Spain, Turkey, &c.

The history of all early settlements is one of great wretchedness and discomfort. The emigrants to New South Wales, to Swan River,‡ and to the Cape of Good Hope, have acted over in our time, the scenes of the early settlements of America. They were accustomed to consider land as the great source of wealth,§

\* 'The starving colonists were now (1628) reduced to five ounces of bread 'per day.'—*Martin's Col. Lib. Canada*, p. 10.

† 'What is the picture presented by the earliest records of those nations 'which are now civilized, or, which is the same, what is now the state of savage 'nations?—a state of habitual poverty and occasional famine. A scanty population, but still scantier means of subsistence.'—*Senior*.

‡ 'For three years, the settlers were in daily fear of starvation.'—*Martin's Brit. Col. Library*, p. 29.

§ 'Upwards of a thousand labourers were sent out to Swan River Colony, but 'the extreme cheapness of land (1s. 6d. per acre) and the extravagant price of 'labour, furnished them with such facilities and inducements to become land 'owners, that the capitalists were every where left without persons to cultivate 'their lands. In consequence, capital to the amount of £200,000 perished. A 'scene of desolation ensued. The labourers having deserted their masters for

and to attach to the possession of it the idea of abundance, but melancholy experience has convinced them that man may be poor, although surrounded by fertile and unoccupied lands. The original settlers at Swan River now offer land at one shilling sterling per acre,\* showing how small is the value it has yet attained, notwithstanding the large amount of capital expended.

Another body, seeking a different place, provided with capital in the form of spades, ploughs, axes, horses, and cattle, find, *possibly*, that they can obtain, *by cultivating the most fertile land*, a reward for their labour equal to, or perhaps somewhat exceeding, that which they had at home.† It may exceed the amount

‘the delusive desire of being the owners of land, implements of agriculture were allowed to rust on the banks of the rivers—seeds of various kinds rotted in casks on the beach for want of sowing, and sheep, cattle and horses perished because there was no one to attend them. The crisis came—hunger cured the labourers of their infatuation, and they returned and demanded from the capitalists they had ruined, the work which they had deserted. It was not to be had.’—*Proceedings of the South Australian Association, June, 1834.* The Association believing that the ruin of the Colony of Swan River arose from the cheapness of land, determined to prevent any such cause from injuring them, by fixing theirs at 12s. per acre. The real cause was, that the labourers believed land had value in itself apart from the labour bestowed upon it, and were anxious to exercise “the power of appropriation” to which the power to demand rent is attributed.

\* ‘The Swan River Colony is in a very flourishing state. Landed estates are to be purchased from the original settlers at one shilling per acre.’—*New Monthly Magazine, October, 1836.* We are much at a loss to imagine what can be “flourishing” in the condition of a settlement, when the settlers are willing to sell, at a shilling per acre, land that must have cost them much more than that sum, merely to appropriate it.

† Even this is not always the case, as will be seen by the following account of the settlers at the Cape of Good Hope, a few years since. ‘It can seldom have happened that emigrants have gone out with so many chances of success as this body of settlers. They did not emigrate singly and unconnectedly; but proceeded together in a considerable body, and were bound together by the closest ties. They were not the refuse of the poor house, or the gaol, nor were they broken down artisans, or ignorant and half brutalized hinds; they were a body of enterprising and industrious farmers, possessing both capital and skill, and acting in zealous co-operation. They were not placed in the wilderness upon their own resources, but were located in an unrivalled climate, and continued long to receive direct support from the government, in food, assistance and protection. Yet these men, after making the most active exertions, and enduring the greatest privations for several years, were at last on the point of abandoning their attempt in despair.’

‘The fate of the ordinary settlers must, therefore, have been dreadful in the

that they have been accustomed to receive, not because their labour is more productive, but because they are permitted to enjoy that which they produce, and not compelled to give a fourth, a third, or half of it for the support of the government, the church, or individuals. It may not exceed that amount, but being accompanied by freedom from persecution for religious or other opinions, is enjoyed by them in peace and security. Such was the case with a large portion of the early emigrants to the United States, who sought to enjoy there that freedom of opinion which was denied them at home.

'extreme. In 1823-4, for example, most of the settlers in the frontier districts of Albany were almost reduced to starvation, from which they were rescued by liberal subscriptions in Cape Town, in India, and in England.'—*London and Westminster Review*, October, 1836, p. 54.

The most fertile land in the South of Africa, not only would not enable the occupants to pay rent, but would not yield sufficient to support life. In a recent settlement in the Western Hemisphere, we find the same result. The property of the company for the settlement of the Eastern Coast of Central America was described in the following terms:

'The land and timber (particularly mahogany,) after being properly surveyed and allotted, would produce, on immediate sale, many millions sterling.'

Of this settlement the following information is given by the Belize Herald, of November 26, 1836. 'A few of the settlers who first went to Verapaz, have since found their way here. They describe their sufferings as having been very great, being nearly eaten up with flies, and themselves having nothing but corn cake to eat for two or three weeks at a time. Their squalid appearance affords a melancholy proof of the truth of their statement.

'Since writing the foregoing, we have heard that so extreme were the privations and sufferings of the emigrants in Verapaz, that rather than longer endure them, many of the women had run away, and are now living with Mr. Bennett's apprenticed labourers, driven to prostitution in order to obtain food to eat, a house to shelter them from the weather, and a pavilion to protect them from the mosquitoes. What will our virtuous countrymen in England say to this? For the honour of human nature we hope it is not true.'

'The Company's settlement, it appears, is at a place called New Liverpool, on the South bank of Cajabon river, in Verapaz. It was represented to the emigrants by the Company's Agents as a land flowing with milk and honey—a very Eden of a place,—instead of which they found 'the climate bad, the ground uncleared, no houses built, provisions scarce, and employment to be obtained with difficulty, and for the trifling remuneration of 1s. per day. In addition to this, they were nearly eaten up with flies, and other insects.' There is no complaint here of any scarcity of fertile land—no necessity for cultivating that which is inferior—the only want was capital in the form of cleared land—houses, provisions and agricultural implements, by which they would have been enabled to secure to themselves steady employment and good wages.

If the affairs of the colony be well administered, it will increase in numbers and capital, and with the extension of cultivation over more distant, or less fertile lands, there will be a rise of wages such as is shown by the following statement of the results in the settlement of William Penn.

In 1699, the price of a ton of flour in Philadelphia, as appears from the cash book of William Penn, was £ 17, or \$ 45 34. At that time the hire of men was from 2s. 6d. to 4s.=33 to 53 cents, per diem.

From 1783 to 1790, wages were at 50 to 75 cents per day, and the average price of flour, per barrel of 196 pounds, was, for 10 years, from 1784 to 1793—\$ 5 68, or, per ton of 11 barrels, \$ 62 48.

From 1825 to 1834, wages were from 75 to 125 cents per day, and the average price of flour \$ 5 32 per barrel, or per ton \$ 58 52.

Taking the lowest wages in all these cases, as being those of unskilled labour, the following would be the result:—

In 1699, to obtain a ton of flour would require 137 days.

1790,	do.	do.	125 do.
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1834,	do.	do.	78 do.
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Here wages are almost doubled, although during the period embraced in it, every species of soil, from the first downwards, was brought into cultivation.

Were the comparison to be made in relation to sugar, coffee, tea, or cotton, the difference would be found vastly greater. When the most fertile lands only were occupied, the price of a day's labour, in cotton, was very small. Were it possible to ascertain the quantity of commodities of all descriptions obtainable in return for any given amount of labour, we doubt not it would be found to be more than three times greater at the present time than in 1699.

There is probably hardly any land in Pennsylvania that would not now enable the occupant to command a greater quantity of the necessaries and conveniences of life, than he could do when the most fertile soils on the Delaware could be had without the payment of rent.

Such being the case, the value of that in the vicinity of Philadelphia and New York cannot arise from the *necessity* of

cultivating inferior soils, but it may and does arise from the great amount of capital expended for their benefit, while the vast increase of capital generally has given the *power* to cultivate inferior, or more distant, soils, not only without a reduction, but with a constant increase, of wages.

A strong illustration of the utter want of value in land was to be found in New South Wales, a few years since.\* Population was small, and none but the most fertile soils were required to be cultivated, yet the government was compelled to offer inducements, by grants of land, to find employment, at the mere cost of subsistence for the labour power of the colony.

In 1834, a schedule of wages was drawn up by a committee of mechanics, from which we find that fencers and field labourers obtained 4s. to 5s. per week with lodging and rations—ploughmen £10 to £12 per annum, with lodging and rations.† If these prices be compared with those of England, and a similar comparison be made of the cost of the various articles of consumption, it will be found that the labourer in New South Wales obtains much less than he could do at home.‡ Nearly all have to be imported from Europe or Asia, and their prices are enhanced by the high freight, and the large advance required in new settlements. We think it highly probable that prices, in *Sydney*, for cottons and woollens, are at least twice as high as in London or Liverpool, and if so, what must be their cost to the ploughmen and labourers scattered through a country, where

\* 'Convict labour was so complete a drug in the colony, on the arrival of Sir Thomas Brisbane,§ and the colonial executive was so utterly unable to find suitable employment for the daily increasing number on their hands, that any respectable person who pledged himself to the government to employ and maintain twenty convict servants, could immediately, and without any other recommendation whatever, obtain a grant of two thousand acres of land, or one hundred for each convict servant.'—*Lang's New South Wales*, p. 155.

† Quoted in Martin's Colonial Library, Vol. II. p. 199.

‡ In comparing the wages of England and the Colonies, it must always be borne in mind that the labourer at home has to produce not only what is necessary for his subsistence, but a large sum for taxes on all articles of consumption. To make a fair comparison, we should be able to state the amount of commodities that could be obtained by a given amount of labour, *with equal taxation*, in both places. The result would show that the productive power of those at home was immeasurably superior.



the means of communication are such as they are in New South Wales? A recent writer says that in both colonies 'the expenses are enormous to a person on his first landing.'\*

Having examined the matter with care, he is 'convinced that no free labour could be advantageously, at present, engaged in England and brought out to the colony.'† Here we have the most fertile lands only in cultivation, yet the product of labour is less than in England. Mechanics obtain higher wages, in money, than at home, but if the high price of wheat,‡ and of all manufactured articles, be taken into consideration, it is at least doubtful if their compensation is in any degree increased.§

In regard to the settlement of Van Dieman's land, we are informed that 'the labour of the industrious settler has almost invariably brought him to ruin,' and that returns to capital were less than might have been derived from a similar amount in England.|| The population being small, none but the most fertile lands are cultivated, and they are sold on the most reasonable terms, being first valued by commissioners, generally at an average of five shillings per acre, of which five per cent. is

\* Political Economy of New South Wales, by John Henderson, p. 37.—Printed at Calcutta.

† Ibid. p. 33.

‡ The prices are given by Mr. Martin, p. 187, for 1828, 29, 30, 31, and 34, the averages of which are as follows:—

Wheat 7s. 4d. = \$1 76 per bushel.

Maize 4s. 11d. = 1 18 do.

Hay 150s. 4d. = 36 08 per ton.

§ All doubt on this head is removed by the Report on the Colony of Western Australia, received as this sheet was passing through the press, and noticed at the close of this chapter.

|| 'On my arrival at Van Dieman's Land, and long afterwards, I could not help, in conjunction with others, admiring the progress which that colony had attained; but after more minute examination, and comparing it with New South Wales, I perceived that my first ideas were erroneously founded, and that, so far from giving either of them credit for advancement, it was rather necessary to investigate the causes of general distress, which now, more particularly, affects the latter settlement. It was necessary to investigate, for instance, why the labour of the industrious settler has almost invariably brought him to ruin; why the price of stock has fallen far below the average of increase; why, after an enormous expenditure of capital, the returns were far less than might have been derived from a similar amount in England; and why property was steadily and rapidly depreciating in value.'—Henderson, p. 1.

payable annually, after seven years' occupancy : or the whole may be redeemed upon the payment of one half of the valuation, say 2s. 6d. per acre.\* Reasonable as are these terms, the settlers are unable to comply with them. Lands are abundant, but they have no value, for want of the capital required for their improvement by roads, bridges, &c.

When they may be had on such terms, there can certainly be no *necessity* for resorting to inferior soils. One year's rent of a farmer in England would pay for transporting himself and family to New South Wales, or Van Dieman's land, where he could have thousands of acres, *in fee*. Why should he remain at home when such advantages are held out to him ? Because the rent he pays is only interest on capital expended for the improvement of the land, and he can pay it and yet make more than he could do by taking wild land in those countries for nothing.

If large investments were now made in distant lands in Australia, and the proprietors were to count accurately the cost, they would find, by the time they came into action, that it was greater than the product ; as the United States would have found, had they not been aided by the extraordinary enterprise of their citizens. If the government be well administered—if peace be maintained—if person and property remain secure—if taxation be moderate—promoting the rapid growth of capital, and that capital be invested in the formation of channels of communication similar to those of the United States, the day will come when the acute speculator, watching the course of improvement, and slightly anticipating its progress, will purchase those lands for a small portion of the interest they will have obtained in those communications,

\* Settlers obtain grants 'upon condition of paying, after seven years, five per cent. on a valuation of the land to be made by commissioners appointed for that purpose, and I believe it is understood that this is to average five shillings per acre.' \* \* \* 'The quit rents are redeemable at the rate of ten years' purchase'† The settler may, at the end of seven years, possess his land in fee upon paying one half of its appraised value. Notwithstanding this very low estimate, it appears that 'the rents or quit rents are now daily falling due ; and in consequence of the general prevailing distress, they are felt to be a severe burden ; indeed, I believe they are generally withheld.'†

† Ibid. p. 59.

† Ibid. p. 58.

and realize from the more tardy operator an advance of 100 or 200 per cent., as is sometimes done in the United States. If, on the contrary, the government be expensive—if the people be continually at war—if security be not maintained—if taxation be heavy—forbidding the growth of capital, it will remain almost as valueless as at present, resembling very much the lands in some of the countries of Europe, in which the chief business of man has been to destroy the property of his neighbours, instead of accumulating some for himself.

We think it needless to say more to prove that the condition of the settler, who is required to cultivate only the most fertile land, is by no means equal to that which he attains as the settlement extends itself. The experience of every new settlement may be adduced to prove, that as population and capital increase, and as the more distant, or less fertile lands are brought into cultivation, there is a constant improvement of condition.

Such being the state of wages in new countries, we will examine what it was in some of those of the old world when the most fertile lands only were cultivated, and what the changes since undergone.

The following table, in relation to England, is furnished by Mr. Barton, and brought down to the present time, by Dr. Wade.\*

	Wheat, per quarter,	Husbandry wages, per week, in money,	do. do. in pints of wheat,	Wages of Car- penters and Brick- layers, in money,	do. do. in pints of wheat.
	s. d.	s. d.		s. d.	
1495,	4 10	1 10½	199	2 9	292
1593,	15 9	2 6	82	3 9	123
1610,	37 8	3 5	46	4 6	61
1651,	69 1	6 10	48	7 6	55
1661,	54 0	6 9	61		
1682,	45 3	5 11	66		
1685,	39 4	3 11	51	5 9	74
1725,	34 5	5 4	79	6 0	89
1751,	32 0	6 0	96	15 6	247
1770,	47 8	7 4	79	15 9	169

\* History of the Middle and Working Classes, pp. 538, 539.

	Wheat, per quarter, s. d.	Husbandry wages, per week, in money, s. d.	do. do. in pints of wheat,	Wages of Car- penters and Brick- layers, in money, s. d.	do. do. in pints of wheat,
1790,	50 0	8 1	82	16 6	169
1795,	58 8			17 3	150
1796,	64 10	8 11	70		
1800,	79 9			18 0	116
1803,	91 8	11 5	63		
1805,	82 8			28 3	175
1811,	96 8	14 6	76	30 0	167
1813,	114 0			33 6	150
1819,	84 8	12 0	73	33 0	199
1824,	57 2	10 0	89	33 0	295
1829,	62 1	11 0	91	33 0	276
1832,	63 9	12 0	90	33 0	265

We give the above table for two reasons. First, that the reader may see the extraordinary statements that are made by writers who have theories to support; and second, that he may see the extent of error into which they are liable to be led when reasoning upon very imperfect information.

The first will be shown by the following facts.

From 1453 to 1497, the average price of wheat, *in money of the present time*, was 14s. 1d., per quarter. During that time it fluctuated between 2s. 8d. and £1 17s. From 1486 to 1497, it varied from 5s. to £1 17s., and averaged £1 0s. 2d. The year selected for comparing the past with the present is 1495, being that in which it was lowest! In 1497, the price was £1 11s. What reliance can be placed upon tables so constructed, the reader may determine for himself.

*If it were even correct* that, in 1495, a week's labour would give 199 pints of wheat, it would only prove that the situation of the people resembled that of the barbarous nations of our own time, who have, occasionally, the means of rioting in abundance, and pass, in a few weeks, to a state of starvation. The 199 pints of 1495 would be reduced in 1497 to 32 pints, or half a bushel, for the support of the labourer and his family for a week. *If, however, it were not correct*—if the wages of 1495 were far below what is stated by Mr. Barton, as we propose to show was

the case, what must have been the condition of the labourer in 1497, when wheat was six times higher? or in 1486, when it was seven times higher? or what must it have been in the preceding century, when it was, on one occasion, eighteen, and on another, twenty-one times as high?

Mr. Barton is not alone in error arising out of very imperfect information. Mr. Malthus\* says, that in 1350, the labourer could earn from three fourths of a peck, to one peck, of wheat per day, or about 80 pints for a week's labour. In 1444, he states wages to have been a peck of wheat per day, or 96 pints per week, and from that period to the end of the century, two pecks per day, or 192 pints per week. From 1646 to 1665, he says the labourer could hardly earn three fourths of a peck per day, or 72 pints per week. From 1655 to 1700, scarcely so much, and during the first twenty years of the last century, about four fifths of a peck, or 76 pints per week. For five years ending with 1810, he considers wages to have been about five sixths of a peck, or 80 pints per week. If these statements were correct, it would be obvious that with the extension of cultivation there had been a diminution in the powers of labour applied to the production of food.

We submit them to the reader, in order that he may be fully aware of the views entertained by others, and compare them with those which we shall offer for his consideration, and judge for himself of their correctness.

The difficulties that exist in estimating the return to labour at remote periods are two. First, although we may ascertain what were the *daily* wages ordinarily paid, it is exceedingly difficult to determine for what portion of the year employment was to be obtained. Second, although we may be able to ascertain the quantity of any particular commodity, such as corn, that was obtained by a given amount of labour, it is not so easy to determine the quantity of other necessities, or conveniences, that could be had in exchange therefor.

In nothing is the superiority of a high state of civilization more evident than in the equal manner in which employment is distributed throughout the year. Where labour is not assisted by capital, large numbers of people are required at certain

\* Principles of Political Economy, Chapter IV. Section 4.

and very short periods, as at the time of harvest, for whom no employment exists at others, but the application of machinery diminishes greatly the number required at those times, and facilitates the extension of cultivation, thereby enabling all to employ themselves profitably during the year. We have strong examples of this in our own time, in the cradle and horse-rake. We know very well that to *secure* the grain is as important as to *raise* it, and that if it were not possible to obtain the necessary assistance at harvest time, much of that which had been raised would be lost. In the Southern States this difficulty frequently occurs, and the planter is compelled to limit his cultivation within the powers of his people to make his harvest. In 1389, in securing the crop of corn from two hundred acres, there were employed two hundred and fifty reapers and thatchers on one day, and two hundred on another.\* On another day in the same year, two hundred and twelve were hired, for one day, to cut and tie up thirteen acres of wheat, and one acre of oats.† At that time twelve bushels to an acre were considered an average crop,‡ so that two hundred and twelve persons were employed to harvest one hundred and sixty-eight bushels of grain, an operation which could be accomplished with ease, in our time, by half a dozen persons.

The wages paid in 1350 to reapers, "during the first week in August," were 2*d.* per day, and from that time to the end of the month, 3*d.*, *without food*.§ To weeders and haymakers, one penny per day. If we were to estimate wages, during the year, at one penny, we should, however, err greatly, because employment must have been occasional, and a large portion of their time must have been unproductive.

We know of no better mode of showing the error that would arise from pursuing this course, than by taking a people of the present time with whom agriculture is the chief employment, and among whom the scarcity of capital has prevented its improvement, resembling, therefore, in some degree, the people of England in earlier times. Such a state of things we find in Ireland, and will now proceed to show what would be the inference as to the condition of the people drawn by a future

\* Eden's History of the Poor, Vol. I. p. 45.

† Ibid. p. 47.

‡ Ibid. p. 48.

§ Ibid. p. 32.

writer from statements of the prices of labour and of corn recently published, and of high authority. In the Statistical Tables published in 1835, by order of the British government, are given\* the prices of labour and provisions in Londonderry in 1833 and 1834. We there find that common labourers have 8s. per week, and that the average price of wheat during those two years was 10s. 6d. per cwt., or 52s. 6d. per quarter. This would give 78 pints per week as the wages of common labour, being more than is given in the table of Dr. Wade for the wages of England in 1811.

Mr. Inglis, who cannot be suspected of overrating the compensation of the people of Ireland, says,

“Excluding the large towns, such as Belfast, Cork, and Limerick, and the labour employed on the domains of a very few resident noblemen, ten pence, without diet, is the highest wages ever given for constant employment: nine pence, and eight pence is the more usual rate, and in some places six pence is willingly accepted, for constant employment. *With diet, sixpence is the sum usually given.*”†

A writer, five hundred years hence, would consider himself warranted in assuming that nine pence per day, or 4s. 6d. per week, *without diet*, was a fair estimate. The price of wheat in Londonderry being 52s. 6d. per quarter, he might fairly assume that the average in the country could not exceed 45s., which would give 51 pints as the reward of a week's labour, being nearly as much as could be obtained by the English labourer in 1803. He would find that potatoes were sold at 2½d. per stone,‡ and that a week's labour would give 27 stone, or nearly seven bushels. He would find that in Galway the wages of a man servant were £10 per annum, and of a female servant, half that sum,§ of course with food. In looking to another part of the kingdom it would be found that at Mallow, where remuneration for labour was deemed to be “at the lowest ebb,” eight pence per day, without diet, was the usual wages,|| and that at Tralee, where servant's wages were said to be “very low,” a man servant did “not receive more than £8, and a female servant never more than £3, and often as little as £2, and even 30s.”¶

\* Part IV. p. 392.

† Ireland in 1834, Vol. II. p. 298.

‡ Ibid. p. 301.

§ Ireland in 1834, Vol. II. p. 34.

|| Ibid. Vol. I. p. 153.

¶ Ibid. Vol. II. p. 261.

Such a writer, in 2337, would be as much puzzled to reconcile these facts with the accounts given in the same volume of the poverty and destitution of the people, as the writers of our day have found it to reconcile the universal poverty of the fifteenth century with the apparently large quantity of corn at the command of the labourer. Further examination would, however, show him that employment was only occasional, and that the cost of all other necessities of life, shelter included, was so great as to leave but little for the purchase of provisions, and he could thus account for the apparent difference. He would find that, at Mallow, "seventy-five per cent. of the working population" were "not in constant employment;"\* that at Ballinasloe, "a couple of hundred labourers" could be had, "at four pence, even for temporary employment," and that the average amount at the command of the labourer, for his support and that of his family, did not exceed four pence.† Mr. Inglis says—

"In a country, where not one half of the people are in constant employment, it would be unfair to state 'the *average* amount of employment' obtained by a labourer throughout the year, to be more than for one half of the year: during that half year, his wages cannot be fairly stated at more than 8*d.* for four months; and for the other two months,—seed and harvest times—1*s.* The hundred and four working days, at 8*d.*, are £3 9*s.* 4*d.*; and the fifty-two days, at 1*s.*, added to this, make £6 1*s.* 4*d.*; which is all the labourer, 'obtaining an *average* amount of employment,' may earn in a year: and this sum, divided by three hundred and sixty-five—the number of days which the labourer has to support himself and his family—gives him, per day, not quite FOUR PENCE! I am quite confident, that if the whole yearly earnings of the labourers of Ireland were divided by the whole number of labourers, the result would be under this sum,—FOUR PENCE a day for the labourers of Ireland!"‡

He would thus find that the average earnings of the labourer were reduced to £6 1*s.* 4*d.* per annum, of which 35*s.* was to be allowed for rent of his cabin,§ and that only £4 6*s.* 4*d.* remained to supply himself with food and clothing, the latter of which was

\* Ireland in 1834, Vol. I. p. 153.

† Ibid. Vol. II. p. 17.

‡ Ibid. Vol. II. p. 299. Although Mr. Inglis cannot be suspected of magnifying the wages of Ireland, we are strongly disposed to believe that he has here underrated them. Our reasons for this belief will be given on a future occasion.

§ Ireland in 1834, Vol. II. p. 302.



much higher than in England, because most of it was brought from that country, and because the shopkeeper, in a country where trade was necessarily limited, was compelled to charge a high advance thereupon, as well as upon provisions. He would see that that high advance must make a much greater difference between the wholesale and retail prices, than in England. He would see that tea, sugar, coffee, and all other of the necessities of life must also have been much higher, but that they could not enter into his expenditure, as the small remainder of his earnings, after paying rent, would with difficulty provide clothing and potatoes. Here he would have the key to the difficulty, and here also we have an explanation of the *apparently* high wages of the fifteenth century. Employment was temporary, and the wages of a single day were to furnish the means of support for three or four days, or a week. When it was permanent, wages were exceedingly low. In 1444, when Mr. Malthus supposes the common labourer to have received two pecks of wheat per day, his allowance was 15s. per annum, with clothes of the value of 3s. 4d., and meat and drink.\* The cloth of russet, or blanket, then used by the labourers, was limited to 2s. per yard, so that the whole wages of the labourer did not exceed nine yards of cloth, and *his own* food. Where then could he obtain the means of support for a family, if so unfortunate as to have one? Is it extraordinary that, under these circumstances, the labourers were poor† and miserable?

We have given this explanation of the causes of the errors into which Mr. Malthus and other writers have fallen, with a view to satisfy the reader that no inference can be drawn in regard to the situation of a people from an examination of the high wages paid for *temporary* employment, and to convince him that more correct views may be obtained by taking the contemporary accounts of the condition of the people and their modes of living, as we propose to do, giving, where it is possible, the actual wages for *permanent employment*.

In the reign of Henry the Second, so many *English* slaves

\* Eden, Vol. I. p. 65.

† The work from which we quote is most properly named "The History of the Poor." Mr. Malthus uses the same expression to indicate the working classes. A writer in the United States would say "*the people*."

were exported to Ireland that the market was glutted, and from the reign of William the First to John, there was scarcely a cottage in Scotland that did not possess one.\* In the latter country no slave could purchase his liberty with his own "proper gudes or geir, because all the cattell and gudes of bondmen are [were] understood to be in the power and dominion of the master."† In 1283, a slave and his family were sold for 13s. 4d.‡ In England, at that time, a few fish, principally herrings, a loaf of bread, and some beer, constituted the meal of the mower and the reaper.§ If such were the allowance in harvest time, what must it have been during the rest of the year? Meat and cheese were considered more as rarities than the ordinary articles of consumption of the labourer.|| A valuation of the personal property at Colchester, the tenth city, and one of the most thriving towns in England, ¶ in 1296, shows the condition of the *petty tradesmen and artificers* of that period, and will enable us to form some idea of the situation of the common labourer. In most houses a brass pot, from 1s. to 3s. value, is to be met with; it seems to have been the only culinary utensil used. A cobbler's stock in trade was valued at 7s.; a butcher's stock of salt meat was valued at £1 18s., that of another at £1, or equal to one or two quarters of wheat. Almost every family was provided with a small store of barley, or oats; rye appears to have been little used, and wheat scarcely at all. Some families possessed a cow, or two, but more kept hogs: two or three were the usual number of the stock. From the small provision of fuel, it is inferred that very few houses had chimneys.\*\* From a subsequent valuation, in 1301, the household articles are ascertained to have rarely exceeded 20s. in value.†† Bread, milk, and beer constituted the usual diet of the townsmen.‡‡ In 1339, a gift was made of a nief, (or female slave,) with all her family, and all that she possessed, or might subsequently acquire.§§ In 1351, during the reign of Edward III., appeared the statute of labourers, by which the wages of haymakers and weeders were fixed at one penny per day, payable in money, or in wheat at ten pence a bushel, *at the option of*

\* Eden, Vol. I. p. 7.

|| Ibid. p. 16.

†† Ibid. p. 23.

† Ibid.

¶ Ibid. p. 26.

‡‡ Ibid. p. 24.

‡ Ibid. p. 35.

\*\* Ibid. p. 20.

§§ Ibid. p. 35.

§ Ibid. p. 15.

*their employers.\** The effect of thus granting an option may be readily understood when it is known that during the fourteenth century wheat varied between 2s. and £4 per quarter. When it was high, the labourers would be paid in money which would not procure them food, and when low, they would receive corn which would not enable them to purchase clothing. No person was to quit his own village in order to obtain work in summer, if he could get employment at the above wages, except the people of Staffordshire, Lancashire, and a few other counties.† Labourers were to be sworn twice a year to observe these regulations, and offenders were punishable with three or more days imprisonment in the stocks.‡ In 1360 the statute of labourers was confirmed by Parliament, and the observance of it enforced under penalty of imprisonment, and burning in the forehead with an iron.§ It was *optional* with the master to hire by the day or year, but the labourer was “*compellable* to work for the statute wages, *by the day, or the year.*”||

How far the employers availed themselves of this option, may be seen from the fact already noticed, that in 1389 two hundred and fifty reapers were employed to cut two hundred acres of corn. They had it in their power to *compel* men to engage by the year when they required it, but they were not bound to *grant* engagements in that way unless they deemed it to their interest so to do, and the consequence was that “many became *staf-strikers*, and wandered in parties of two, three, or four, from village to village;” but great numbers “turned out *sturdy rogues* and infected the kingdom with frequent robberies.”¶ In 1388 the wages of labour were again regulated, and a plough driver was allowed “7s. per annum, with food, but without clothing or any other perquisite.”\*\* The whole wages of a year would purchase seven yards of russet cloth, the price of which was fixed at 1s. per yard. Sir F. M. Eden, to whose work we are indebted for these facts, says we may form an idea of the bad husbandry of the period, and of the “consequent misery of the labourers,” from considering the wretched pro-

\* Eden, Vol. I. p. 31.

§ Ibid. p. 36.

¶ Ibid. p. 42.

† Ibid. p. 33.

|| Ibid. p. 37.

\*\* Ibid. p. 44.

‡ Ibid.

duce of arable land. In 1390 a farm of fifty seven acres yielded six bushels of wheat, and another, five bushels of oats, to the acre.\* At that time the population did not exceed 2,353,202 souls,† and there was, consequently, no necessity for cultivating inferior soils. Cultivation was widely spread over the superior soils, yielding a very small return. The people did not possess the means of penetrating to the inferior soils, but pursued what is called in our times an “unexpensive system”‡ of cultivation. In 1444§ wages were fixed by act of Parliament, and a common servant in husbandry received 15s., with 3s. 4d. for clothes, and his meat and drink.|| In 1496¶ they were again regulated

\* Eden, Vol. I. p. 48.

† Ibid.

‡ Torrens on the Production of Wealth, p. 115.

§ At this time, the condition of the people of *France* is thus described by Fortescue :

“Thay drynke water, thay eate apples, with bred right brown made of rye. Thay eate no flesche, but if it be selden, a litill larde, or of the entrails, or heds of bests selayne for the nobles and marchaunts of the lond. Thay weryn no wollyn, but if it be a pore cote under their uttermost garment, made of grete canvas, and cal it a frok. Their hosyn be of like canvas, and passen not their knee; wherefor they be gartrid, and their thyghs bare. Their wyfs and children gone barefote; thay may in non otherwise lyve; for sume of them, that was wonte to pay to his lord for his tenement, which he hirith by the yere, a scute,\*\* payyth now to the kyng, over that scute fyve skuts. Wher thrugh they be artyd†† by necessitie so to watch, labour, and grub in the ground, for their sustenance, that their nature is much wastid, and the kynd of them brought to nowght. Thay gone crokyd and ar feble, not able to fyght, nor to defend the realme; nor thay have wepon, nor monye to buy them wepon withal; but verely thay lyvyn in the most extreme povertie and myserye, and yet thay dwellyn in one the most fertile realme of the world.”—*Eden, Vol. I. p. 70.*

|| Eden, Vol. I. p. 65.

¶ The condition of the *receivers of rent*, at this time, when only the superior soils were cultivated, may be inferred from the following statement.

In 1496, the whole sum allowed to Lady Anne, daughter of King Edward the Fourth, married to Lord Howard, son of the Earl of Surrey, was, ‘for her exhibition, sustentation, and convenient diet of meat and drink; also for one gentlewoman, one woman, one girl, one gentleman, one yeoman, and three grooms, in all eight persons, £80 12s. per year; being £1 11s. weekly, which included ‘their clothing and wages; besides £25 10s. 4d. for the maintenance of seven

\*\* “A *scute* was a French gold coin, and the same with an *escu*, or *ecu d’or*, which was denominated from the Legend, ‘*Dieu est mon escu*,’ God is my shield. It was worth 3s. 4d. in Fortescue’s time.

†† “*Arcted*, compelled, or restrained, from the old French verb *coarcter*.”—*Eden, Vol. I. p. 71.*

by a new statute of labourers, and a common servant of husbandry was allowed 16s. 8d. per annum, with an allowance of 4s. for clothing,\* yet at this period Mr. Barton states his weekly earnings at one hundred and ninety-nine pints of wheat, per week, equal to nearly four bushels! The hours of labour were fixed to commence, between the months of March and September, at five o'clock, and to terminate between seven and eight o'clock; and from September to March from the "springing of the day" until night.† In the same year new laws were passed for the restraining of vagabonds. In 1514 wages were again regulated and fixed at the same rate as in 1496.‡ Persons refusing to work were to be imprisoned, and every vagabond, "whole and mighty in body," was to be tied to the cart's tail and whipped "till his body was bloody by means of such whipping."§ How great were the depredations of those vagabonds at this period, when population was small and fertile land abundant—when no necessity existed for resorting to inferior soils, and when wages and profits ought, according to the theory, to have been high—may be inferred from the fact that,

"There should have been executed in one reign, [that of Henry VIII.] '72,000 great and petty thieves'—and that the rapines committed by the infinite number of wicked, wandering, idle people, were intolerable to the poor countrymen, and obliged them to a perpetual watch of their sheep-folds, pastures, woods, and corn fields."||

Early in the reign of Edward VI., new laws were passed for putting down "idleness and vagabondrie," by which it was enacted that "if any man, or woman, able to work, should refuse to labour and live idly for three days, that he, or she, should be branded with a red hot iron on the breast, with the letter V, and should be adjudged to be slaves, for two years, of any person who should inform against such idler. And the master was directed to feed his slave with bread and water, or small

'horses.'¶ Here, 'a family of such distinction as to need seven horses, could be 'supported for little more than a hundred pounds of *money of our time*, per year,' and as the average price of wheat at this time was £1 0s. 2d. per quarter, it follows that the whole allowance was 100 quarters.

\* Eden, Vol. I. p. 74. † Ibid. p. 76. ‡ Ibid. p. 81. § Ibid. p. 82.  
|| Harrison's Description of England, p. 168.

¶ Chronicon Preciosum, quoted by Mr. Jacob. Precious Metals, p. 181. American edition.

drink, and such refuse meat as he should think proper; and to cause his slave to work, by beating, chaining, or otherwise, in such work and labour, (*how vile soever it be,*) as he should put him unto:" and the statute adds, that "if he runs away from his master for the space of fourteen days, he shall become his *slave for life*, after being branded on the forehead, or cheek, with the letter S."\* The punishment for running away a second time was *death*. A subsequent clause of the same statute enacts that "*although there be no man which shall demand such loiterer, or loiterers*, yet nevertheless justices of the peace shall be bound to inquire after such idle persons; and if it shall appear that any such shall have been vagrant for three days, *he shall be branded on the breast with a V, made with a hot iron.*"† A master was also authorized to "put a ring of iron about the neck, arms, and leg of a slave, for a more knowledge and surety of the keeping of him."‡ Such was the condition of the people at a time when they are supposed by a recent writer to have "lived in much the same manner as husbandmen in the north of England did in the last century, and the Scotch peasantry do in the present."§

A writer of the reign of Elizabeth, when population was small, says, "the bread throughout the land is made of such graine as the soil yieldeth; nevertheless the gentilitie commonly provide themselves sufficientlie of wheat for their own tables, whilst their household and poor neighbours, in some shires, are inforced to content themselves with rie or barleie; yea, and in time of dearth, manie with bread made either of beans, peason, or otes, or of altogether, and some acorns among; of which scourge the poorest doo soonest tast, sith they are least able to provide themselves of better. I will not saie that this extremitie is oft so well to be scene in time of plentie as of dearth; but if I should, I could easily bring my triall." He adds, that the artificer and labourer are "driven to content themselves with horsse corne, beanes, peason, otes, tares, and lintels."||

In enumerating the disorders of the kingdom, an eminent justice of the peace in Somersetshire says, in 1596, that "forty

\* Eden, Vol. I. p. 101.

† Ibid. p. 102.

‡ Ibid.

§ Wade. Middle and Working Classes, p. 51.

|| Quoted by Eden, Vol. I. p. 16.

persons had there been executed in a year, for robberies, thefts, and other felonies; thirty-five burnt in the hand; thirty-seven whipped; one hundred and eighty-three discharged," and that "notwithstanding these great number of indictments, the fifth part of the felonies committed in the county were not brought to trial," and that the magistrates were awed, by the associations, and the threats of confederates, from executing justice on the offenders.\* Sir F. Eden says very truly that "it is probable that these disorders were, in a great measure, owing to the *difficulty of finding regular employment* for the surplus hands not required in agriculture."† Moryson, who wrote in this reign, says—"the English husbandmen eat barley and rye brown bread, and prefer it to white bread, as *abiding longer in the stomach and not so soon digested*."‡

Mr. McCulloch says,§ "If their provisions were coarse and deficient, their clothing and lodging were incomparably more so. The houses, even of the rich and the great, were, in the 16th century, mostly destitute of glass windows, and the cottages of the poor were not only universally without them, but also without chimneys! The luxury of a linen shirt was confined to the higher classes."

It is scarcely necessary to continue this examination so much in detail. The reader must now be satisfied that wages were low, and the condition of the labouring classes most unenviable, and that "the ploughman in those *good old times* could only banquet on the strength of water gruel."|| We shall now turn our attention to the last century and a half, relying upon Mr. Barton's statement of money wages, and taking the prices of corn from the tables of Dr. Smith. It must, however, be observed that the improvement that may thus be indicated, is by no means equal to the change that has taken place. With the increase of population and of capital there has been more steadiness of employment for men, and the application of machinery in every department of production has rendered labour so much less severe, that that of females and of children has been rendered productive. Thus while the cost of all manufactured commodities has decreased most rapidly, the means of purchasing have greatly increased.

\* Eden, Vol. I. p. 112.

† Ibid. p.

‡ Ibid. p. 117.

§ Statistics of the British Empire, Vol. I. p. 585.

|| Eden, Vol. I. p. 116.

From 1680 to 1700, the average price of wheat was £2 7s. 10d., and taking wages at 5s. per week, a medium between the prices given by Mr. Barton for 1682 and 1685, the labourer would obtain 54 pints.\*

From 1701 to 1726, wheat averaged £2 3s. 1d., and taking wages as at 5s. 4d., as given for 1725 in the table, the amount would be 64 pints.†

From 1727 to 1751, wheat averaged £1 17s. 2d., and wages being 5s. 8d., a medium between the rates given for 1725 and 1750, would give 78 pints.

From 1752 to 1764, at which the tables of Dr. Smith close, the average was £2 1s. 9d.—Taking wages at 6s. 8d., being the medium between the rates of 1751 and 1770, the labourer would have 80 pints.‡

Taking the subsequent quantities from the table of Messrs. Barton and Wade, and omitting the period of the late war,§ and the years immediately subsequent, we obtain an almost perfectly regular rate of increase.

From 1680 to 1700,	population	5,134,516,	-	54 pints.
1701 to 1726,	"	5,500,000,	-	64 "
1727 to 1751,	"	6,100,000,	-	78 "
1752 to 1764,	"	6,700,000,	-	80 "
1770 - - -	"	7,227,586,	-	79 "
1790 - - -	"	8,540,738,	-	82 "
1824 - - -	"	12,500,000,	-	89 "
1829 - - -	"	13,500,000,	-	91 "
1832 - - -	"	14,100,000,	-	90 "

\* 'At the period of the Revolution (1688) wheaten bread formed, in comparison with its present consumption, but a small portion of the food of the people of England.'—*Domestic Life in England*, p. 193, London, 1835.

† 'In the north, at this period, hardly any wheat was consumed. \* \* \* The usual treat for a stranger was a thick oat-cake, called haver-bannock, and butter; and it is related, that a boy wishing to indulge himself with a penny loaf made of wheaten flower, searched for it in Carlisle for some time, but could not procure a piece of wheaten bread in the town.'—*Ibid*.

‡ 'At the commencement of the reign of George III, wheaten bread was far from being the food of the people in general.'—*Ibid*.

§ An examination of the prices of the period from 1793 to 1815, would show conclusively that the waste produced by the war tended to bring back the state of things that existed half a century previously. Production was diminished, and the proportion of the capitalist was increased, although the actual return to capital, in commodities, was lessened in quantity.



Mr. McCulloch furnishes\* a statement of the contract prices of Greenwich Hospital, that differs somewhat from the above. The average quantity of bread that could be had for a penny, in the years 1729, 1730, and 1735, was  $12\frac{3}{4}$  oz. In the years from 1818 to 1828, both inclusive, the price varied from  $1\frac{1}{4}$  to  $1\frac{5}{8}$ ths pence per pound, the average being nearly  $1\frac{1}{2}$  pence, which would give above 10 oz. for a penny. The wages of carpenters, bricklayers, and masons, which were in the first period only 2s. 6d. per day, were in the latter about 5s. Wages in money had therefore doubled, while the price of bread had risen only about 25 per cent., notwithstanding the prohibition of the importation of corn.

During the time this improvement has been going on, there has been an extension of cultivation over immense bodies of land,† which, a century since, were almost, if not entirely valueless. Population has increased with great rapidity, rendering it necessary to have recourse to inferior soils, yet production has increased so rapidly that the proportion engaged in agricultural pursuits is less than thirty per cent., whereas it was, in 1700, about forty per cent.

In thus comparing the wages of England with wheat, it must be recollected that it is the most unfavourable standard that can be adopted. In the early period of last century it was an article of export, and was, of course, lower than on the continent, but the application of capital to manufactures has brought the market home to the agriculturist, thus giving to his land *advantages of situation*. The *money* price has therefore risen, while the *labour* price has fallen. Both would have been lower but for the corn laws which have prohibited its import in exchange for those manufactures. Had those laws not existed, it is highly probable that the wages of a carpenter in bread would have been 150 per cent. greater in 1829 than in 1729. Here we find the same change as has already been exhibited to the reader in relation to the United States,‡ showing that the results in old and new

\* Dictionary of Commerce, p. 878.

† 'As late as 1770, fully three fourths of the surface of Bedfordshire consisted of common fields, and of common or waste land, and yet it was not, in this respect, at all in a worse condition than many other counties.'—*Edinburgh Review*, cxvi. p. 174.

‡ Ante, page 52.

countries are the same precisely, and that with the extension of cultivation there is a constant increase of production,\* per head, accompanied by the ability to command a greater quantity of the necessaries and comforts of life, and to accumulate capital,† available for further improvements.

We will now examine what has been the change in regard to cotton, another agricultural product.

In the three years, from 1782 to 1784, inclusive, the price fluctuated between 1s. 1d. and 3s. In the three years, 1832 to 1834, inclusive, it was from 6d. to 1s. 2½d. Wages have doubled since 1782, while cotton has fallen from an average of 2s. to an average of 10d., and while the wages of 1782, would obtain but a pound and a quarter, those of 1832 would command above six pounds.

In 1793, Georgia cotton was at 1s. 1d. to 1s. 10d.—In 1833, from 6½d. to 8d., having fallen from an average of 17½d. to an average of 7½d., giving nearly the same result.

The same would be found to be the result of an examination of the prices of coffee, of sugar, and of silk. All have fallen, and are likely to fall, with the further extension of cultivation.

\* 'How paradoxical soever the assertion may at first sight appear, we are not sure that the improvement and extension of manufactures can, all things considered, be truly said to have materially exceeded the advances made in agriculture. \* \* \* We may perhaps estimate the total extent of land enclosed and subdivided by act of Parliament, from 1760 to 1832, at 6,000,000 acres. And it may be safely affirmed that, in consequence of its enclosure, the produce of this immense extent of land has been increased tenfold. \* \* \* The population of Great Britain has considerably more than doubled—the prodigious number of nine millions of individuals having been added to it in the interval between 1755 or 1760, and 1831. The supplies of corn and other raw produce obtained from Ireland, are quite insufficient to provide for the increased number of horses kept in the country at present, over and above those that were kept in 1760. *The population is now and has been for some years past, incomparably better fed, and consuming a much greater quantity of wheaten bread and of butcher's meat, in proportion to its amount, than in 1760, or at any other period of our history.* The ports have been shut during the last four years, and consequently the vast additions made to population, and the signally improved mode of living, have both been provided for by the extension and improvement of British agriculture.'—*Edinburgh Review*, No. 126, p. 174. American edition.

† 'Upwards of 20,000 of the depositors [in the savings' banks] were agricultural labourers, who, there is reason to believe, were generally heads of families.'—*Report of Poor Law Commissioners*, p. 229.

If it be said that the reduction in the price of cotton is attributable to bringing into action more fertile lands, let it be remarked that the West India Islands were more fertile in 1782 than at present; that India was more fertile; that the lands upon which cotton is now grown are those most distant from the Atlantic, and which came into cultivation long after those of South Carolina and Georgia. *They were the inferior soils.* They possessed fertility, but had no 'advantage of situation'—they wanted capital in the form of roads, and having now obtained it, have become productive.

If we compare wages with manufactured commodities, the difference is vastly greater. The wife of the labourer can now purchase clothing more beautiful than could have been obtained at any price thirty years ago. Cotton goods which were used by the few are now used by all, and silks are worn by thousands who never, in former times, would have dreamed of having the power to obtain them.

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Having now closed this review of the progress of improvement in the condition of the working classes in England, we must beg the reader's attention to the following passage, as evidence that *their present state* is not likely to be *overrated* by the authors upon whose tables we have depended for the recent period. We have not access to the work of Mr. Barton, and must therefore rely upon the statement of his views given by Dr. Wade,\* as follows: "In the opinion of Mr. Barton, *the present state of the country resembles that which marked the close of the reign of Elizabeth.* Both periods exhibit symptoms of the population having outgrown the means of subsistence. In both there is a diminution in the rate of wages, and, of course, in the means of procuring, by the body of the people, a sufficiency of wholesome food, needful clothing, good lodging, and the other necessities of life." The reader will judge for himself of the accuracy of this view.

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When the population of Scotland was limited to about a million of souls, and when only the most fertile lands were required for cultivation, the situation of the people was thus described

by one of her most distinguished sons, Fletcher of Saltoun. 'There are at this day in Scotland (beside a great many poor families very meanly provided for by the church boxes, with others who, by living on bad food, fall into various diseases,) *two hundred thousand people begging from door to door.*' One fifth of the whole population are thus described as wandering beggars, at a time when the wages of labour and the profits of capital should have been high! So bad, indeed, was the state of society, that Fletcher recommended the establishment of a system of slavery, as the only method of cure!

Famines were of frequent occurrence, as will be seen by the following passage.

'Some of these scarcities were very severe, and extended their ravages over a great extent of country. Those of 1635, 1688, the period from 1693 to 1700—emphatically termed the "seven ill years"—1740 and 1782-83, were particularly severe. During the "seven ill years" the distress was so great that several extensive parishes in Aberdeenshire, and other parts of the country, were nearly depopulated; and some farms remained unoccupied for several years afterwards. In 1783, vast numbers of the small Highland farmers were ruined; and many persons died of want.\*

So late as 1727, a field of eight acres sown with wheat, in the vicinity of Edinburgh, was reckoned so great a curiosity that it excited the attention of the whole neighbourhood, and numbers of persons came from a great distance to see it.†

About the middle of last century, they are described as often wanting food, and 'to such an extremity were they frequently reduced, that *"they were obliged to bleed their cattle, in order to subsist some time on the blood."*‡ Within the memory of persons "now living," their situation was such that "nothing but the frugal, penurious manner in which the peasantry then lived, could have enabled them to subsist and pay any rent whatever. Their clothing was of the coarsest materials; their furniture and gardening utensils were often made by them-

\* Sinclair's Statistical Account of Scotland, Vol. VI. p. 121.

† Edinburgh Review, No. 126, p. 173. American edition.

‡ Description of the Parishes of Lochgoilhead and Kilmorish in Argyleshire. Quoted by Mr. M'Culloch. Statistics of British Empire, Vol. I. 588.

‘selves; their food, always the produce of their farms, was little expensive, consisting chiefly of oatmeal, vegetables, and the produce of the dairy: if a little animal food was occasionally added, it was generally the refuse of the flock, unfit to be brought to market.’\* The state of the country was rude beyond conception. *The most fertile tracts were waste, or differently cultivated. The education, manners, dress, furniture, and tables of the gentry, were not so liberal, decent, and sumptuous as those of ordinary farmers are at present. The common people, clothed in the coarsest garb, and starving on the meanest fare, lived in despicable huts with their cattle.*†

Here we have fertile land abundant and cultivated in an “unexpensive” manner, yet we find abject poverty and distress. No “necessity” existed for cultivating inferior soils! The landlord took a large proportion of the product, leaving to the tenant barely sufficient to support existence, yet the condition of the former was worse than that of the tenant at the present day, when inferior soils are extensively cultivated. If the wages of the labourer were low, the profits of the landlord were certainly not high!

‘So late as 1763, the slaughter of bullocks for the supply of the public markets, was a thing wholly unknown even in Glasgow, though the city had then a population of nearly 30,000! Previously to 1775, or perhaps later, it was customary in Edinburgh, Glasgow, and the principal Scotch towns, for families to purchase in November, what would now be reckoned a small, miserable, half fed cow, or ox, the salted carcass of which was the only butcher’s meat they tasted through the year.’‡

With the extension of cultivation over the inferior soils it is estimated that ‘the produce of the country has been increased six-fold since 1770, and as the population has not quite doubled in the interval, it follows, that at an average each individual is now enjoying *three times* the quantity of useful and desirable articles that were enjoyed by his ancestors subsequently to the ‘seven years’ war.’§

\* Rev. Mr. Smith, quoted by M’Culloch, *Statistics of British Empire*, Vol. I. 509.

† Rev. Dr. Playfair, quoted in *Edinburgh Review*, Vol. 56, p. 57.

‡ *Edinburgh Review*, No. 126, p. 173. American edition.

§ *Ibid.* Vol. 56, p. 60.

At present the condition of the people of Scotland is nearly equal to that of the inhabitants of England and Wales.

Ireland is a country in which only the superior soils are now cultivated. The poverty of the people forbids the employment of the machinery requisite to make them yield what they are capable of doing, and the want of proper communications causes a large portion of the land, that would be in a high degree productive, to remain untilled. The condition of that country at this moment coincides almost exactly with the following account of *Scotland*, which we find in Mr. McCulloch's work.

'The late Rev. Mr. Smith, in his Agricultural survey of Wigtown and Kirkcudbright, published in 1810, gives, on authority of persons "now living," the following details with respect to the state of husbandry, and the condition of the people towards the middle of last century. "Estates appear to have been broken down into very small farms; or where these were large, they were held in common by two, three, or even four different tenants, who divided the labour and produce in a proportion corresponding to their rent. These, when in tillage, were sometimes run-rigg, when each had his portion allotted; sometimes the whole was ploughed, sowed, and reaped in common, and the produce divided in the field, or barn. Houses or sheds for the whole cattle of the farm, never entered into their conception. Their cows were indeed not uncomfortably lodged; very often under the same roof with themselves, and sometimes without any intervening wall or partition. Their houses were commonly wretched, dirty hovels, built with stones and mud, thatched with fern or turf, without chimneys, filled with smoke; black with soot; having low doors, and small holes for windows, with wooden shutters, or, in place of these, often stopped with turf, straw, or fragments of old clothes. The principal object of tillage was to afford straw for the winter support of the few cattle which the pasture (if such it could be called,) maintained in summer. As they always overstocked, this was a difficult task; and the poor starved animals were reduced to the greatest weakness before the return of spring. Through mere weakness often they could not rise of themselves. It was a constant practice to

‘gather together the neighbours to lift the cows and horses, or  
 ‘to draw them out of the bogs and quagmires into which they  
 ‘were tempted by the first appearances of vegetation.’”

Ireland, in 1837, is in a situation at least equal to that in which Scotland was in 1760. Scotland at that time was in the situation of England in the 16th century. In 1698 she was in that of England in the time of Henry VIII. Each follows the other in the course, and in each we trace a constant improvement of condition, with the increasing ‘necessity for having recourse to inferior soils.’

If we were to extend our examination to the various nations of the continent of Europe,\* we should find the result in all cases the same, notwithstanding the enormous waste of the ruinous wars in which they have been engaged. Had they pursued the same peaceful course as the United States, how immense would have been the change!

As this sheet is passing through the press, we have received an abstract† of ‘A Report of the Committee of Correspondence of the Colony of Western Australia,’ communicated by Lord Glenelg to the Statistical Society of London, February 20, 1837, from which we learn that rents are paid, notwithstanding the abundance of fertile land—that production is small—that the *proportion* claimed by the land holder is large—that the expense of converting grain into flour is very great, and that the cost of provisions and other articles of necessity is such that high nominal wages and profits give but a very small measure of the comforts of life.‡

Here we have a state of things remarkably resembling that

\* ‘M. Peuchet, the ablest of French statistical writers, says, ‘Il se mange ‘aujourd’hui plus de pain, plus de viande en France qu’autrefois. L’homme des ‘campagnes, qui ne connoissoit qu’une nourriture grossiere, une boisson peu ‘saine, a aujourd’hui de la viande, du pain, du blé, du vin, du bon cidre, ou de ‘la bière. Les denrées coloniales se sont repandues aussi dans les campagnes ‘depuis l’augmentation de la richesse des cultivateurs.’ If we turn to Russia, ‘Prussia, and Germany, the change for the better is even more striking than in ‘France; and while the numbers of the people are increasing, their comforts and ‘enjoyments are increasing still more rapidly.’—*Ed. Rev.* Vol. 56, p. 65.

† Published in the London Athenæum, March 4, 1837.

‡ The whole population is 1550, and as of course none but the most fertile lands

which existed in England when, as now in Western Australia, only the most fertile soils were cultivated. Capital is scarce, and the man who desires to use it will give a larger proportion of the product of his labour for permission so to do. This deficiency

are cultivated, there can be no 'necessity for resorting to inferior soils' to cause the payment of rent. Notwithstanding this, alluvial lands let from 20s. to 25s. per acre.

A thousand pounds is stated as 'the requisite capital for a settler of the highest class; from £200 to £500 for those who labour with their own hands.' Several farms which have been rated, are found to return 10 per cent. on the capital invested.

The crops of wheat on alluvial land average 18 bushels an acre: the best weighing 46 lbs. per bushel. The price of wheat is not given, but that of bread flour is stated as varying from 2d. to 1s. per lb., but in 1836, 'when it was plentiful,' it was 3d. This would give probably \$11 as the price of a barrel of flour containing 196 lbs., and \$2 30 for a bushel of wheat weighing 60 lbs., or about \$1 75 for 46 lbs. The cost of 'dressing and grinding' a bushel of wheat of 60 lbs., is stated at 3s. or 72 cents.

The man who should cultivate 20 acres, would have 360 bushels, the *average* weight of which might be taken at 42 lbs. = 1512 lbs., or 250 bushels of 60 lbs., which would give about 55 barrels of flour, at \$11 per barrel, or, \$605

The cost of dressing and grinding a bushel of wheat being 3s.

or 72 cents, that of 250 bushels would be	-	-	-	-	\$ 180
Rent of 20 acres, at 22s. 6d. per acre,	-	-	-	-	108
					<hr/>
					288
Return to the cultivator, subject to all the cost of transport-					<hr/>
ing his crop to market,	-	-	-	-	\$317
					<hr/>

Here we find that nearly one half of the gross proceeds is taken by the owner of the land, and the miller; but if we deduct from the product the cost of transportation, more than one half will be found to be thus absorbed.

The capitalist whose means are employed 'on the most fertile land,' has 10 per cent., but if he wish to apply that profit to the purchase of provisions, he must pay for flour at the rate of \$11 per barrel—for beef, 1s. 4d. to 1s. 6d. per lb. (32 to 36 cents)—for mutton, which is said to be 'plentiful,' 1s. (24 cents) per lb. For clothing he must pay nearly, if not quite double the price he must pay at home, and for furniture of every description, double, or perhaps treble price. The owner of capital employed on the worst soils of New England would lose heavily by transferring himself to Western Australia.

The wages of agricultural labourers are from 4s. to 5s. per day. This is nominally higher than in England, but that sum will not secure to them as great an amount of the comforts of life as could be had at home with 2s. The labourer upon the worst soils of New England, or upon the sandy soil of New Jersey, obtains almost double the compensation than can be obtained upon the most fertile land in the colony.

The wages of the mechanics are from 6s. to 8s. per day. The number in the



of capital renders mills scarce, and the mill owner has it in his power to fix his own price, as was done by the landlords\* in former times. The cause then, as now, was the unproductiveness of labour and consequent scarcity of all those aids to labour, termed capital.

The system of emigration, as it is now attempted to be forced, is little better than *wholesale murder*. Instead of relieving industry from its shackles, and lightening the load of taxation, it is deemed best to transport the most valuable portions of the labouring community, and export capital for their employment, when, under a proper system, it would yield larger profits and higher wages at home. Having arrived at the conclusion that the people must go abroad, they are not permitted to go to the United States, or to Canada, where they would have, in every settlement they might make, advantages arising out of the labours of the settlers of the previous years, in the making of roads and other improvements, but they are sent to

colony is 95, of whom *only one third find even occasional employment at their trades*, and the remainder either obtain a little land to commence farming, or work as general labourers, or, as the last resort, go out as fishermen. This class appears to be 'the least likely to accumulate property,' on account of their dependence on irregular and merely accidental engagements. It must be obvious that they could earn vastly more at home.

What is there in this colony, even now, after the first years of extreme distress have been passed, that should lead any man, either with or without capital, to go to it? He can earn more at home, and if he will endure the same inconveniences and privations that he must do there, he will lay up more. There is certainly nothing that should induce the cultivator of the worst soil in the United States, or the owner of any capital, so to do. The fertile lands first occupied do not yield high profits, or high wages, but as population and capital increase, and cultivation is extended over inferior soils, or those more distant, but fertile, wages and profits will rise, and after a time the return to labour and capital may possibly be nearly as high as in England.

\* 'Among the many rights enjoyed by the feudal lords, was that of *ban-mills*: that is, of mills at which the vassals were obliged to grind their corn, for which they paid toll in kind. The oldest mention of these occurs in the eleventh century. "We must not, however," says Beckman "attribute the exercise of this right wholly to oppression: the building of mills was always considered expensive, and was then considered as an undertaking of such magnitude that those who erected them stipulated with the neighbourhood for the exclusive privilege of grinding, as an indemnification; but it cannot be denied that it was often unjustly exacted, and it is to this day a subject of grievance on many parts of the continent."—*Domestic Life in England*, p. 196.

the Cape of Good Hope, Van Dieman's Land, Swan River, or the Eastern coast of South America, where every thing must be created for them. What is the consequence? misery, distress and privation of every kind! Fertile land is abundant, but cabbages are sold at 2s. 6d. (60 cents) each! potatoes 1s. 8d. (40 cents) per lb. Peas 2s. (48 cents) per quart, unshelled! Watermelons 10s. 6d. (\$2 52) each! Cucumbers 1s. (24 cents) fresh meat 1s. 6d. to 2s. (36 to 48 cents) per lb.! and occasionally the scarcity of meat is so great that "*condemned salt beef which had been buried as unfit for food,*" is disinterred and sold for 1s. (24 cents) per lb. Flour, too, is at times so scarce as to sell for 1s. (24 cents) per lb.!\* Such have been the results of the Colony of Western Australia, and such must be the result of every similar enterprise, where men are sent forth to depend upon a supply of fertile land, without the advantage of previous expenditure of capital.

In the United States, emigration from the east to the west is very great, but it is not forced. High wages give to every man the means of accumulation, and he changes his place of residence when his means warrant him in so doing. He goes to new lands that have the benefit of roads and canals made through those previously settled, enabling him to send his produce cheaply to the cities and towns, and receive thence, at small cost, the articles required for his consumption. He has the aid of steamboats and rail roads, and the capital thus invested for the advantage of the land that he purchases, enables him to improve his condition rapidly. Emigration thus carried on is a natural and healthful operation, but if the government were to undertake to transport thousands and tens of thousands of persons without capital; and if, instead of taking them to Indiana and Illinois, which are sufficiently near to benefit by the roads and canals of New York, Pennsylvania, and Ohio, and by the steamboats of the Mississippi, they were taken to the neighbourhood of the Rocky Mountains, far from all settlements, what would be the consequence? Could it be other than poverty, distress, wretchedness, waste of labour and of capital? We think the reader will agree with us that it could not.

\* These were the prices of the early years of the settlement.

Of all the absurdities that now obtain, we know of none equal to the present system of colonization. Men are sent, at enormous cost, to places where they are comparatively unproductive, in order to prevent them from going where they would be productive. Capital is wasted, that men may be sent to starve upon fertile lands, when, if they must go, they could be sent, at comparatively trifling cost, to a country where they would thrive upon the inferior soils.

Each man who emigrates to the United States is more advantageous to Great Britain than any five men who go to Australia, yet all the cost of establishing a colony is undergone, notwithstanding the experience already acquired that all colonies cost more than they are worth.

It is to be hoped that in time common sense will prevail, and that the lives and property of thousands will not thus be wasted, with a view to establish the theory that profits are large and wages high when only the most fertile lands are cultivated, while all experience proves the reverse.

We think that the time is not distant when it will be admitted that the true policy is to make men comfortable at home, and when it will be discovered that their productive powers are greater there, aided by capital, than they can be in the wilds of Australia, where a grist mill is 'an undertaking of such magnitude,' that the owner can demand one third of the wheat for grinding the remainder, and where all aids to labour are obtained with extreme difficulty.

If it be asked why wages are high in the United States, where, as yet, population is limited, the answer is readily given. Security, peace, and light taxation, have, at all times, tended to render labour productive, and to cause a rapid growth of capital. While all other nations have expended, in war, a large portion of their production, the United States have preferred to employ their means in adding to the machinery by which labour is rendered productive, the result of which is that, at this time, the agriculturist, the manufacturer, and the sailor are aided in their operations by better machinery than exists in any other part of the world.

## CHAPTER VI.

## EFFECT OF THE EXTENSION OF CULTIVATION UPON THE PROFITS OF CAPITAL.

WE have traced the gradual progress of cultivation, and have shown that as it is extended, and as production increases, the *proportion* of the landlord diminishes, and will now proceed to inquire what effect this diminution of proportion has upon the profits of capital, or *interest*.

When the labour of three years would produce only a farm capable of yielding 200 bushels, one fourth of which was absorbed by the owner, its value was 450 bushels, and the income therefrom, 50 bushels, or more than eleven per cent. upon that amount.\*

When a similar farm could be produced in 27 months, or when the labour of three years would give one yielding 242 bushels, the owner could claim only 56, leaving 186 as the wages of a year's labour. The value of the labour of three years being 558 bushels, and the rent being 56, the owner would have 10 per cent. upon his capital.

When the labour of three years would produce one capable of yielding 300 bushels, the proprietor's share would rise to 63 bushels, leaving 237 to the labourer. The value of the farm

\* The values here given, are the same that were assumed in treating of the rate of wages, (Chapter IV.) Other values, and other proportions in the distribution, might equally well have been taken for the purpose of showing the effect of increased production upon both wages and profits. If we suppose that in the first period, ten years were necessary to produce a farm, or machine, capable of yielding 200 bushels, or the equivalent thereof in some other commodity, and that the owner took one half, as is usual in countries in which capital is scarce, the labourer would have 100 bushels for his year's wages, and the farm, or machine, being worth 10 years' labour, its *price, in wheat*, would be 1,000 bushels. The owner would have 100 bushels as rent, giving him interest at the rate of 10 per cent. for his capital. If, at another period in the progress of the community, the same quantity of labour should give a farm, or machine, capable of yielding 400 bushels, the owner of which required one third, wages would be 266 $\frac{2}{3}$  bushels. The price of the farm would be 2,667 bushels, and the owner would have 133 $\frac{1}{3}$  as rent, being five per cent. interest upon his investment.

would then be 711 bushels, yielding as rent 63 bushels, or nearly 9 per cent.

When land No. 4 was brought into cultivation, the same labour produced a farm yielding 320 bushels, of which the owner claimed 64. Wages having risen to 256 bushels, the value was 768, yielding 64, or  $8\frac{1}{3}$  per cent. upon the capital.

If we continue the scale until we find that the same time applied will yield a farm producing to a year's labour 600 bushels, of which the owner claims 15 per cent., or 90 bushels, we shall find its value to be 1530, yielding nearly 6 per cent. interest.\*

\* An examination of the simple and beautiful laws of nature, by which the distribution of the proceeds of labour between the workman and the capitalist is regulated, cannot fail to satisfy the reader of the absurdity of attempting, by usury laws, and other restrictions, to alter the relative positions of the parties who possess, and those who desire to obtain the use of capital.

Having shown the manner in which nature acts in fixing their respective proportions, where the growth of capital is permitted to keep pace with that of population, and where there are no restraints upon its employment, we shall here state some of the effects produced by regulations and other interferences. It is seen above that where the ratio of capital to population is small, the share of product claimed by its owner is large, and that it diminishes with the growth of capital. It is therefore obvious, that any cause preventing its growth must tend to prevent the increase in the proportion of the labourer. Such is the effect of war. That recently waged between Great Britain and France, was attended by an unparalleled waste of capital, preventing it from keeping pace with population, and causing a diminution in the ratio of production to population, and an increase in the capitalist's share.

It is possible, however, by regulation, to produce the opposite effect of *diminishing the share of the capitalist to a point below the natural rate*, as we shall now show.

If capital were to increase so much more rapidly than population, that it could not all be used, the owners thereof would find themselves in the situation of the labourers first described in the text. They would find it as difficult to induce men to use their machines, as those labourers found it to obtain machines to use. The latter were obliged to give to the owners a very large proportion of their produce, and in the case now supposed, the capitalist would be compelled to do the same by the labourer, retaining for himself a very small proportion of the product, and the rate of interest would be very low. A part of the machines would be occasionally idle, tending to diminish still further the amount of income to be divided among the proprietors. Thus, if when the labouring population of the settlement amounted to only ten persons, A. and B. had accumulated twelve axes, two thereof would be always out of use. Both parties would be anxious to induce the labourers to use their instruments, and would be willing to take a very small share of the product, rather than let them remain idle. Notwithstanding this there still must

Here we find the product of labour constantly increasing and wages rising, with *a constantly augmenting return for the use of capital produced by a given quantity of labour*. We find, however, that the income bears a constantly diminishing

remain two unproductive, and the owners of the twelve could divide among themselves only the diminished share allotted for the use of the ten that were employed. If A. could make an arrangement with six of the labourers that each should use permanently one of his axes, thus relieving him from the loss attendant upon their remaining idle, he would take a very small proportion, yielding him a very small interest for his capital. The difficulty of finding employment for it, would cause that which was likely to be permanently employed, to maintain a high value, selling at 30, or 35, or possibly 40 years' purchase of the income. Precisely such is the condition of the capitalist in England, who is willing to lend his capital to the government for a very small perpetual annuity, rather than take the chance of making a larger profit, accompanied by the risk of having it remain unproductive.

Such a state of things as that we have described, never arises when the employment of capital is free from restriction. Some descriptions become superabundant at times: thus axes may be too numerous at one time, and guns at another: ships are superabundant in one year, and houses in another: but all cannot at one time be so, because when left to themselves, the supply of capital and the demand for it increase together, and the superabundance of any one commodity, or machine, is speedily corrected by abstaining from its production. When, however, there are restrictions upon its employment, it may in all its forms, become so, while a large amount of population is unemployed. Thus, if the employers of axes were forbidden to cut down oak trees, and those who used guns were forbidden to shoot deer, both machines might become superabundant, and the labourers might be compelled to have recourse to sticks to cultivate the earth, because deprived of the power to use either axes or guns in such manner as would yield them support. The demand for both would be diminished, and the owners would send them to some other place, where there were no regulations tending to make them unproductive.

If, when district No. 1 was fully occupied, the people were prevented from making roads, No. 2 could not be brought into cultivation. The owner of No. 1 would be deprived of the power of using his capital to advantage in improving his communications, and the labourer would be deprived of the means of employment. If, when No. 4 was occupied, there should be any restraint upon the making of canals, or rail roads, No. 5 could not be brought into action. The capital that should have been applied to the making of rail roads would remain idle, and the people who should have made them, as well as those who would have cultivated the inferior soils of districts 3, 4, and 5, and the superior ones of No. 6, would remain unemployed. The capitalist would be willing to lend his money at a very low rate of interest, rather than send it abroad to seek employment; he would be content to take a very small proportion of the product—while the labourer would retain a very large proportion thereof. The *quantity* to be divided among the whole body of labourers would, however, be re-

*proportion* to the product of labour, and to the value in wheat, or in money, of the capital; that *interest is falling*.

When three years' labour would produce only a farm of 150 bushels, the occupant would give for its use that of three months, or one fourth of the product, but as labour became more productive, he would give successively

for one of 242 bushels, 71 days,		
do.	300	do. 65 do.
do.	320	do. 63 do.
do.	600	do. 47 do.

Every day increases the power of accumulating capital, and each day diminishes the sacrifice which must be made by those who desire to obtain the use of it. The labour of three years in the first period would enable an individual to produce a machine that would secure to him the enjoyment of an annuity of fifty bushels, whereas in the fifth it would produce one of ninety bushels. In the first period, the power of accumulation on the part of the labourer would scarcely exist, whereas in the fifth it would

duced by the reduced amount of production. Many of them, unable to employ themselves advantageously, would be dependant upon alms-houses and poor rates for a support, and that support would constitute a deduction from the wages of those who cultivated the lands Nos. 1, 2, 3, and 4. The labourer here would be in precisely the situation of the capitalist when only the most fertile lands were cultivated. He would have a *larger proportion* than he would otherwise be permitted to retain, but a *smaller quantity*. Were the restrictions removed, labour and capital would become more productive, *the share of the capitalist would rise, and that of the labourer would fall*, but the *quantity* of commodities obtainable by a given amount of labour, *would be increased*.

Here we have precisely the situation of Great Britain. Restrictive laws forbid the application of capital in that way in which it could be most advantageously employed, and it is comparatively unproductive. The owner receives a very small proportion of the product. He lends it at very low interest. Property, yielding income, sells at 30 years' purchase, and the amount of labour necessary to secure the enjoyment of a given amount of income is very great. The labourer has a high proportion, yet labour abounds, and the taxes for the support of the poor are enormous.

Were the restraints upon its employment in manufactures, and upon the exchange thereof for the produce of other nations, removed, and were it rendered less difficult to obtain permission to construct rail roads and other improved modes of communication, the capitalists share would rise, while the diminished *proportion* allotted to the labourer would give him a larger *amount* of commodities than he now receives, and the poor houses might be closed, except so far as is necessary to afford an asylum to those who are unable to labour.

be immense. All his earnings would, in the first, be required to support existence, as is now the case in those countries in which a limited population renders unnecessary the cultivation of inferior soils, while in the fifth only a part would be required to give him the best food and clothing, as is the case in England and the United States, where capital is applied to render those inferior soils productive. In the first case, the savings of a life would hardly suffice to secure to the labourer the enjoyment, rent free, of a farm yielding 200 bushels. In the last, he might consume that quantity, and purchase one yielding 600 bushels, with the savings of five years. In the first, he would be almost without the hope of becoming a proprietor, whereas in the last, he would feel certain that industry and economy would make him such. In the first, he would be in the situation of the people of England when only the most fertile lands were cultivated; in the third, or fourth, he would be in their present situation, and in the last, he would be in the situation to which they will attain at some future period, when cultivation shall have been extended over land now deemed so inferior, either as regards soil, or advantages of situation, as to be almost, if not quite, worthless. He gives, in the last, the labour of forty-seven days for the use of a machine that he could himself purchase at the end of five years, whereas he gave, at first, that of three months for one that he could not obtain in less than twenty, thirty, or forty years. Here we find the exact parallel of the axe, constantly *improving* in quality. When but a single one existed, and to produce another would cost months of labour, half of the whole product would be given by the labourer to secure the power of using it, but when a better one could be had by the labour of a day, he would not give more than the one hundredth part.

Let the reader compare, for himself, the exertion now required to accumulate a capital yielding any given annuity, with that which would have been necessary half a century since, and he will find that less than one half will accomplish it. If he make the comparison with the corresponding period of the last century, he will find that not more than one third of the labour is necessary, but if he will look back two centuries, he will see



that more can now be done in one year than at that time in ten years. Let him look at the condition of the labourer in 1351—in the *glorious* reign of Edward III, when it was deemed more advantageous to plunder others than to produce for themselves—and compare the amount of exertion then required to become the owner of capital with that which he feels to be necessary now for that purpose.

At that time the severest labour yielded an insufficient quantity of inferior food, whereas at the present time moderate labour secures an abundance of food of the best quality, and the labourer, while enjoying comforts unknown to his predecessors, has a perfect confidence that with industry and economy he can become the proprietor of capital, and daily more and more improve his condition.

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We propose now to inquire how far the laws which regulate the profits of trade, and of capital employed in other pursuits, correspond with the results which we have submitted to the reader in relation to agriculture.

In the western and south-western States of the Union, it has been not unusual to pay twelve, fifteen, or eighteen per cent., per annum, interest.

In examining the causes of the fall that *apparently* takes place in the profits of capital, as population and capital increase, and as cultivation is extended, we shall consider wages as a fixed sum, and profits as liable to change.

One hundred men, possessing each a capital of five hundred dollars, determine to establish themselves in a new settlement. In doing so, they will always take care to select a place that possesses “advantages of situation,” i. e. one that has benefited by the labour expended in making roads and other improvements. Ninety-nine of them purchase, each, a quarter-section (one hundred and sixty acres,) of land, and with the balance subsist themselves during the period of preparing the earth to yield them a return, and in erecting for each a log house. That being accomplished, they have acquired a machine which, if worked properly, will yield them wages, and a small surplus of profit, being perhaps a little more than they had been accustomed

to earn in the place from whence they came. The one hundredth person sees that the wants of the ninety-nine will make it necessary to have a place at which they can meet to exchange their corn for such articles of clothing, &c., as they may require. He therefore invests his capital of five hundred dollars in the purchase of tea, coffee, clothing, and other merchandise, and opens a store. The advance to be placed on his goods must be considerable, or he will not make as much as his neighbours, and he will not be disposed to employ his time and his small capital less advantageously than they do. He also makes wages, and a small surplus of profit. At the close of the second year, his neighbours having been enabled to increase their stock, by the appropriation of the surplus of the first year, find that instead of having each one hundred bushels to exchange at the store, they have one hundred and fifty. The consequence is, that the storekeeper finds his business increased fifty per cent., and instead of passing through his hands ten thousand bushels, he now has fifteen thousand. If the first ten thousand gave him five hundred dollars wages, and one hundred dollars profit, the profit on the additional capital now employed requires to be only fifty dollars, in order that his income may be increased to six hundred and fifty dollars, being precisely the same as that of his neighbours. To obtain six hundred dollars from ten thousand, he required to take six per cent. of the value of the goods, and, in addition, as much as would pay his expenses. Four and one-third per cent. upon fifteen thousand dollars, would give him six hundred and fifty dollars. His capital increases, and he continues to obtain the *same rate of profit upon it, with a reduced rate of advance upon his goods*, because, when he passes through his hands one hundred thousand bushels of wheat he requires only to make wages five hundred dollars, and one thousand dollars profits, being but one and a half cents, per bushel, instead of six, as at first. His neighbours employ their savings in the purchase of stock, and of improved implements, and are enabled to cultivate every year a little more land, and thus obtain an annually increasing surplus over and above the value of their time, or their wages. If the surplus increase more rapidly than we have supposed, the business of the storekeeper does so likewise, and thus the interest of capital engaged in the cultivation of the

land, and that engaged in the store, keep pace with each other. Increased capital leads to the improvement of the roads by which the produce is sent to the market, and enhances the value of it in exchange, by which the income of the farmer and the trade of the storekeeper are again increased. Each augmentation of capital facilitates its further and more rapid growth, and by increasing the amount of business to be done, enables the storekeeper to obtain a *constantly increasing amount* of reward for his capital and labour, arising out of the retention of a *constantly decreasing proportion* of the property that passes through his hands, leaving to the producer a larger proportion, and thus enabling him to obtain larger wages.

He gradually gives up those parts of his business that require him to retain the largest proportion. He first ceases to sell by retail—next he ceases to sell by the piece or dozen, and confines himself to the sale of packages of goods—retaining constantly a smaller *proportion* of the commodities, and making the usual profit upon his capital, with large wages for his time and attention.\*

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\* The difference in the proportions retained by large and small dealers, is shown in the following passage. 'There are, we apprehend, few persons employing in England a capital of £100,000, who would not be satisfied with a profit of less than ten per cent. per annum. A manufacturer of considerable eminence, with a capital of £40,000, complained to us of the smallness of his profits, which he estimated at twelve and a half per cent. About fifteen per cent. we believe to be the average that is expected by men with mercantile capitals between £10,000 and £20,000. Scarcely any wholesale trade can be carried on with a capital of less than £10,000. The capitals of less value, therefore, generally belong to farmers, shopkeepers, and small manufacturers, who, even when their capital amounts to £5,000 or £6,000, expect twenty per cent., and when it is lower a much larger per centage. We have heard that stall fruit-sellers calculate their gains at 2d. in the shilling, or twenty per cent. per day, or something more than 7,000 per cent. per annum. This seems, however, almost too low. The capital employed at any one time seldom exceeds in value 5s., twenty per cent. on which would only be 1s. a day; a sum which would scarcely pay the wages of the mere labour employed. It is, however, possible that the capital may sometimes be turned more than once in a day; and the capitalists in question, if they can be called so, are generally the old and infirm, whose labour is of little value. The calculation, therefore, may probably be correct, and we have mentioned it as the highest apparent rate of profit that we know.'—*Senior, p. 214.*

Having thus examined the course of the storekeeper and the farmer, we will inquire how far that of the money-lender accords with it. In the second year of the above settlement, a person arrives with a sum of ten thousand dollars in his pocket. Looking around him, with a view to its advantageous investment, he sees that there are one hundred persons engaged in agriculture, and all anxious to have as much disposable capital as will enable them to purchase horses and ploughs to enable them to work some more land. They all feel that they are possessed of powers that will enable them to make larger wages, *i. e. to raise more wheat*, if they had the assistance of a little capital, in the shape of implements. Cultivating now only twenty acres, and getting therefrom five hundred bushels, they believe that with a horse and plough they could cultivate forty acres and obtain one thousand bushels. The advantage likely to result from the use of this small capital being great, they are willing to pay twenty-five per cent. for the use of the money, and the owner lends it to one hundred persons, who are to pay him twenty-five hundred dollars for its use. To look after so many persons and collect his dues, requires his whole time and attention, and he receives only a moderate interest for his capital, and wages for his time and attention.\*

In the course of a few years, he finds that some of the farmers have extended their operations sufficiently to enable them to use his whole capital, amounting then to twenty thousand dollars; but they will not pay him at as high a rate for its use, because possessing as many horses and ploughs as they can work themselves, they already obtain the highest rate of wages for their own labour, and their object in thus borrowing money is to pay wages to other persons to assist in cultivating their en-

\* 'In Australia, twenty per cent. on mortgages,' is said by Mr. Carmichael to be 'not an uncommon return for money so lent. Fifteen per cent. may be taken 'as the average return of capital so invested.'—*Carmichael's Hints to Emigrants*, 1834.—*Quoted in Westminster Review*, No. 45.

The Bank of Australia lends money at ten per cent. The legal rate of interest in the State of Mississippi, is ten per cent.

At Odessa, 'the rate of discount between private individuals is from 10 to 18 'per cent. per annum. Formerly it was two to three per cent. per month.'—*Hagemeister's Report*, p. 220.

larged farms. All they will derive from its use, is the product over and above the wages of the persons they employ, from which is to be deducted the interest they pay, and the balance will be their own *wages* for superintending its employment. The owner of the money sees that it will be better for him to lend it at ten per cent. to ten persons, than at twenty-five per cent. to one hundred, because in the latter case his time is fully employed in looking after his interests, whereas in the other it is probable that an hour per week will be sufficient, and he can turn his attention to some other pursuit that will yield him wages for his attention.

Some years after, finding it inconvenient to give even that much time, he and some of his neighbours conclude to establish an office, where money shall be lent out by certain persons who are paid to attend to the business; or, in other words, a bank. Having, in this case, no attention to bestow, except as a director, he is willing to take a smaller compensation for his money, and very little is received as *wages*, or a reward for time and attention. Should he afterwards desire to invest it in such a manner as to require none whatever, he would lend it to the government, at a still lower rate of interest, being the true and exact value of the capital, without charge for management, or *wages*. Each of these operations would, in its turn, be advantageous to him. The increased amount of capital being attended with an increased demand for talent, and consequent increase of reward therefor, his personal exertions applied to the management of the business of others, without the aid of his own capital, command twice as much compensation as he could obtain in the outset with its aid.

Here we see the rate of profit constantly falling, *in appearance*, with the growth of capital, when, in fact, the change is produced by the abstraction of wages, which, in the outset, were mixed up with profits. The difficulty of obtaining any given amount of money, or other capital, has diminished with the rise that has taken place in wages. At the time at which he obtained 25 per cent., the labour of a year would not produce the same amount of commodities now to be obtained by that of six months. His capital has fallen in value, measured in labour.

but the wages that he can obtain by the employment of his talents, have risen, and he can earn an additional ten thousand dollars for investment, with perhaps one fourth of the labour that was required to obtain the first.

Capital employed in manufactures, or in shipping, is subject to the same laws. Where large amounts are invested, the owner requires the usual rate of interest, or profit, and wages for his attention, and as the quantity of capital and business increase, the smaller is the proportion retained. The man who has two or three looms must have one half of the product,\* while he who has thousands, will be satisfied with one-tenth, or perhaps one-twentieth.† The proportion of the labourer increases, and that of the capitalist decreases with the improved application of labour.

The owner of American shipping must have the usual high rate of profit upon his capital, and large wages for his time. To obtain this he requires but a very small proportion of the earnings of his vessels, the consequence of which is that the wages of seamen are exceedingly high. The owner of Russian ship-

\* 'At Lyons, the master weaver who has three looms, is supposed to receive from the two which he does not himself work, about 900 francs per annum. His rental will be about 150 francs, cost of lodging his two compagnons 80 francs, remaining 670 francs.† 'The value of a loom is from 100 to 400 francs.‡ If we estimate the cost at the highest rate, we see the enormous proportion retained by the owner of small capital, the chief part of which comes to him as wages for his time and attention. 'The average gain of a loom per day is generally reckoned at three francs,|| making about 1,800 francs per annum from two looms, of which *one half*, as we have shown, goes to the owner of the capital.

† 'After making many inquiries on these subjects in Manchester, we found the general opinion to be, that the manufacturing capitalist turns his capital, at an average, twice in the year, and receives on each operation a profit of 5 per cent. ; and that the shopkeeper, at an average, turns his capital four times in a year, and receives on each operation a profit of about 3½ per cent. On these data the labourer's share would, of course, be much greater than according to the ordinary estimate. We will suppose, however, that estimate to be correct, and that, after rent has been deducted, the labourer receives, on an average, nine-tenths of the value of what he produces.'—Senior, p. 188.

† Bowring's Second Report, page 35.

§ Ibid. p. 37.

|| Ibid.

ping takes almost half of the product, and leaves a miserable pittance for the master and seamen.\*

The owner of a Russian vessel of 85 tons burthen, if it be constantly employed, receives for his share 2,400 rubles, equal to \$500, or £100 sterling. If he desire to insure it, the charge for insurance *on the hull* is from 8½ to 10 per cent. per annum,† and if the value be only 10,000 rubles, more than one-third of the gross profit is thus absorbed. The nominal profit is high, but the amount of commodities at the command of the owner is far less than could be obtained by the owner of a similar vessel in England. The owner of half a dozen such vessels could command a much larger amount of the conveniences of life in England, or the United States, than at Odessa.

Capital is scarce in Russia, and labour is consequently unproductive. The *share* of the owner is large, but its amount is small. The shipping of Great Britain is, by the restraints on the import of corn, sugar, timber, &c., rendered much less productive than it would otherwise be, and capital yields therefore a low rate of interest. Were those restraints removed, it would become more productive, and the owner's share would rise, and that of the labourer would fall, but the latter would have higher wages than at present. The comparative freedom in the employment of capital in the United States causes it to

\* Distribution of the proceeds of Russian vessels in the Black Sea.

Repairs, per annum,	-	-	-	-	-	500 rubles.
Provisions, per annum,	-	-	-	1,500		
Wages, 5 men, at 200 rubles each,				1,000		
Master,	-	-	-	-	600	
						3,100
						3,600
Profit,	-	-	-	-	-	2,400
						6,000 rubles.

Here we see that, deducting the repairs, the earnings of the vessel are 5,500 rubles, of which 2,400 go to the capitalist, being about forty-four per cent. of the whole proceeds.—*Hagemeister's Report on the Commerce of the Black Sea*, p. 57.

The estimates given are of vessels from 4,000 to 6,000 poods (70 to 100 tons) burthen, making from 5,000 to 7,000 rubles per annum. We have taken the medium of receipt and expenditure.

† Hagemeister's Report, p. 79.

be more productive. The labourer's *proportion* is large, but it is smaller than in England.\* The owner's *proportion* is small, but it is greater than in England. Greater freedom would give in both countries to both capitalist and labourer increased ability to command the necessities and conveniences of life.

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In new countries, when the most fertile lands only are cultivated, the proportion taken by the owner of capital, invested in land, or in other machines, is very large, and we offer the following to show that such is likewise the case in old countries whose limited population requires, in like manner, only the cultivation of lands of the best quality.

In Poland, the agriculturist is content with a spade, or, perhaps, a stick, to turn up the earth, and with a mud cabin in which to lay his head. As population is limited, he is not compelled to cultivate inferior soils, yet a very large proportion of his product is taken by his landlord. If he could obtain the use of a little capital, he could thereby double his production, and it would be advantageous for him to take it, if he gave even one-third of the whole for its use. Nearly the whole value of his grain is, in many cases, absorbed by the expense of transportation. A rail road would, in some cases, treble, or quadruple its value. If he gave one-fourth to the constructors of the road, in addition to what he now pays as rent, it would be to his advantage so to do.

In Spain, where population is by no means dense, and where none but the most fertile soils are cultivated, there is so total an absence of capital to facilitate transportation, that the produce of several years accumulates in the granaries, and sometimes it is not worth the cost of gathering.† In such a case, if one-half of the whole product were given to the maker of a canal, or rail road, the result would be great advantage to the cultivator.

\* We refer now merely to the division between the labourer and capitalist, without regard to the large share subsequently taken by the government of England from the labourer's portion, in the form of taxes on consumption.

† 'All means of transport are dear, and in the neighbourhood of Salamanca it has been known, after a succession of abundant harvests, that the wheat has 'actually been left to rot upon the ground, because it would not repay the cost 'of carriage.'—*Edinburgh Review*, Vol. LV., 448.



In Ireland, where large bodies of the most fertile lands remain unoccupied, *the proportion* of the product paid for its use is vastly greater than in England, or than in the United States.

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The rule that small capitals must yield to the owner a large proportion of their products to indemnify him for his time and attention, applies as fully in the comparison of different parts of a country, or different individuals, as in that of different countries, or nations. Thus land that is let in small patches, pays, as rent, a much higher proportion of its product than that which is let in large quantities. This usually occurs with that near a city, termed accommodation land, and which has been supposed to be governed by laws different from those which apply to other lands.\* The offerer for a small piece of ground 'is 'anxious to get it, not that he may make profits and wages by 'it, but that he may live. He is willing, indeed, to pay the 'proprietor all that it can be made to yield over and above his 'subsistence and that of his family.†

The smaller the amount of capital *owned* by an individual, *the larger must be his proportion of its proceeds*, because he must make wages for the time employed in its management. The smaller the amount *used* by an individual, *the larger is the proportion he is disposed to pay for its use*.

We have seen this to be true in regard to land, which, divided into small lots, yields a large proportion to the owner, who is, however, compelled to devote his time to its management. In like manner, the small dealer who purchases on credit, pays the capitalist a much higher price for his goods, than his neighbour, who purchases on a large scale for cash: the difference being frequently 15 or 20 per cent. per annum. The labourer who obtains but a dollar per day, will cheerfully give 25 cents per day for the use of a wheelbarrow that will enable him to earn a dollar and a half. The owner of 20 or 30 wheelbarrows, thus lent out, may obtain a large proportion of the product for

\* 'The high rents of accommodation-land and building ground are paid out 'of the surplus produce of other land—out of the profits of farmers and the rents 'of landlords.'—*Notes to Wealth of Nations*, by the Author of *England and America*.

† M'Culloch, p. 470.

the use of his machines, but his whole time is occupied in the collection of his rents. The owner of horses will pay a high price per day for the use of stage coaches, if they will enable him to obtain an increased hire for his horses. He will not, however, be required to allow so large a proportion for the use of the capital, because the owner of stage coaches can superintend twenty of them with less trouble than his neighbour has to manage a similar number of wheelbarrows.

The man who builds small houses must have a large interest for his capital, because his time is occupied by their management. The occupant, who requires to use a small amount of capital in the form of a house, must pay such a sum as will indemnify the owner for the use of his capital and his time. The pawn-broker who lends money at 15 or 20 per cent. per annum, requires a large proportion of the value of the goods that pass through his hands, to pay him for his attention. The apothecary, knowing that he can obtain large wages if he can obtain the use of a small capital, is willing to pay a high price for it—and the labourer will do the same for a small piece of land. Both pay a large proportion of the product. The larger dealer allows to the owner of capital but a small proportion of the product of that which he uses, and retains but a small proportion of the commodities in which he deals.

*Increase in the capital of individuals, or increase of business, is always attended with the retention of a diminished proportion of the commodities that pass through their hands.* It is a matter of daily observation, that the owner of a small capital takes a much larger proportion of the value of his commodity than the owner of a large one can do. The occupant of a shop with a capital of \$1,000 makes seven or eight hundred dollars, while the occupant of a warehouse with a capital of \$50,000 makes but \$10,000. In the former case profits are \$50 and the wages of superintendence \$750, whereas in the latter, profits are \$2,500 and wages \$7,500.

The owners of rail roads now require a much smaller proportion of the goods they transport upon them than was required by the owners of turnpikes, and of the wagons that travelled upon them. The fine ships of our time charge a less proportion of the goods they transport than must have been required

in the days of Vasco de Gama and Columbus. The owner of a cotton mill requires to retain a much smaller proportion of its product than was necessary to the owner of a few hand-looms. The owner of a grist mill takes a much smaller toll than was required by the man who pounded it in a handmill. Notwithstanding this diminished *proportion*, the return to capital is greatly increased. The rail road transports one hundred times as much as could be transported with the same cost upon a common road, and is better paid with one per cent. of the commodities than the other would have been with ten per cent. The ship performs her voyage in 20 days instead of 90 or 100, and one twentieth part would repay the capitalist better than one fifth would then have done. The grist mill of our times grinds hundreds of thousands of bushels of wheat, and a very small *proportion* is sufficient payment for the use of capital and wages of superintendence.

The commission merchant who lends his credit by granting his acceptances to the owner of cargoes of cotton, is better paid by two per cent. than the pawn-broker by 12 or 15. The owner of a dozen ships requires to retain a much smaller proportion of the proceeds than the owner of a sloop or a schooner. The proprietors of the New York and Liverpool packet ships retain a less proportion of the proceeds of their vessels than the owner of half a dozen Prussian brigs. The owner of land requires a smaller proportion from the tenant who occupies 100 acres and pays him \$1000, than from half a dozen tenants occupying each 10 acres of similar land. He charges for his time, and if that become valuable, he will prefer to find a tenant for the whole, who will guarantee the payment of a smaller sum, taking the risk of collection from the inferior tenants.

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The more imperfect the machinery—the more limited the amount of capital—the larger is the proportion received by the capitalist, and the less his actual reward. Every improvement in the machinery—every increase of capital—*decreases* his *proportion*, and *increases the quantity of commodities* received by him. The more limited the holdings—the smaller the amount of capital employed by an individual, the larger the proportion paid by him for its use, and thus we see that in Ireland five guineas for

half an acre are paid, yet landed property is unproductive compared with that of either the United States or Great Britain.

The more perfect the machine, the smaller is the proportion of the capitalist, *provided the improvement be common property*. If a man make an improvement in a ship, by which she can make a voyage in half the usual time, and it be confined to his own ship, he will retain a large proportion of the proceeds; but if the improvement be common to all ships, he will receive a smaller one, and the persons he employs in them will have a larger one. The same rule applies to town lots, to farms, to houses, to cotton mills and every other species of capital. The proportion is fixed by the ordinary standard of machines, and if one man employ machinery better than that of his neighbours, he will obtain a larger share of the proceeds, while if it be worse, he will receive a smaller share. When below the standard, every improvement, until it shall have attained it, tends to increase the proportion of its owner, while all improvements thereafter, common to all similar machinery, tend to diminish his proportion, while they increase the amount of his revenue.

The owner of a farm near a city possesses advantages, from the expenditure of capital, that place him above the standard, while his neighbour, who owns unimproved land, can obtain no rent from the man who occupies it and can make only wages. The man that discovers an improvement in the mode of manufacturing any commodity, the right to which is guaranteed to him by law, is above the standard, and obtains a larger proportion of the product, while another who uses machinery that is nearly worn out, can scarcely obtain any profit whatever from it. When the improvement becomes, by the expiration of the patent, common property, labour applied to the manufacture of that commodity becomes more productive, and the proportion of the inventor falls, but the *quantity* to be divided among the owners of capital employed in its manufacture is increased.

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We propose now to show the change that the profit of capital has undergone, as cultivation has extended itself over Great Britain and the United States, and to inquire into the present rate of profit of those nations.

We have shown\* that in England, in 1496, the allowance for the support of the establishment of a lady, daughter of a sovereign, and wife of a peer, but little exceeded one hundred pounds, a sum which would purchase about 1200 bushels of wheat. Profits were then certainly not very high, although cultivation was confined to the most fertile land, and the 'necessity for resorting to inferior soils' did not exist.

We do not deem it necessary to trace the gradual improvement that has taken place in the condition of the owners of capital from that time, but will confine ourselves to the last and present century, an examination of which will satisfy the reader that it has kept pace steadily with that of the labouring population. In considering the rate of wages, we have rejected the period of the late war, because decreased production tended to bring back the people to the condition of olden times, and we shall now do the same in treating of profits, although it would be easy to show that the *increased proportion* retained by the capitalist, was attended with a *diminished* power of purchasing commodities.

During the reign of George I, interest frequently did not exceed 3 per cent. In 1731-2, the bank furnished money to the government at 3 per cent. In June, 1739, the three per cents. *were as high as* 107. In 1743, a period of war, they were at 97. In 1744, a loan was contracted at  $4\frac{1}{8}$ . After the close of the war in 1749, it was agreed that the creditors should receive 4 per cent. for one year, and  $3\frac{1}{2}$  per cent. thereafter, until 1757, after which the stock was to bear an interest of 3 per cent. In 1757, after the nation had been two years engaged in an expensive war, the rate was very little more than 3 per cent. In 1789, the price of 3 per cents. was 98. Since 1815, they have fluctuated from  $56\frac{1}{8}$  to  $93\frac{3}{4}$  per cent. From a statement furnished to Parliament by the Bank of England, of the half yearly prices of stocks, it appears that from August, 1815, to February, 1832, a period of 17 years, the prices were—

‘Once            between 50 and 60 per cent.

‘ 5 times        “        60 and 70 per cent.

‘ 12 times       “        70 and 80 per cent.

\* Ante, page 58.

' 11 times between 80 and 90 per cent.

' 5 times " 90 and 93 $\frac{7}{8}$  per cent.

From August, 1825, to February, 1832, the highest price was 91 $\frac{1}{2}$ , and the lowest 76 $\frac{7}{8}$ , and the average of the fourteen half yearly returns 86.

In 1739, the owner of £1000 enjoyed an income of about £28, while the average income of a similar amount during the last 20 years has been about £37.10.\* If we compare the power

\* Here we have precisely the state of things described in the note to page 74. *Production has increased and the rate of interest, or capitalist's share, has also increased.* During the first half of the last century, England was much more dependent than at present upon agriculture for the employment of her population. The owners of capital were induced to employ it in the production of corn, by a bounty of 5s. per quarter on exportation, and its importation was prohibited. Since that time, there has been no tendency towards improvement in regard to the importation of corn, but there is no bounty to induce its production for the purpose of exportation. The invention of machinery has, however, given to that country a vast field for the employment of capital in a way that renders much of her trade less dependent upon bounties and prohibitions than it was in former times, and with the improvement of machinery, and increased freedom in the employment of capital, we find a *constantly improving condition of the people*, and an equally constant *increase in the capitalist's share* of the product. Although more productive than it was a century since, the restraints of excise laws, and the privileges of corporations, have prevented the progress of improvement, and the restrictions upon the import of corn, sugar, timber, and other commodities have forbidden the application of capital to manufactures to exchange therefor, and have thus compelled it to seek throughout the world for employment. Some of it has been appropriated to the extension of agriculture—a part lent to Mexico and South America, to seek for gold—another portion has been lent to the South American governments, nearly all of which is lost. Had the field of employment been permitted to extend itself with the growth of capital, the rate of profit would have been sufficiently high to prevent its exportation and its waste.

If we look to the continent we shall find a similar state of things. In Hamburg, money is invested in mortgages, producing only two or two and a half per cent., and houses sell at 30 or 40 years' purchase of the rent, while in the adjoining territory, it would be gladly borrowed at five or six per cent. The difference lies in the security of property. The Hamburg capitalist has the utmost confidence in the security of his investment in the one case, while he feels no confidence that advances made to the agriculturists of Holstein will be returned, or that even the interest will be regularly paid. His field of employment is very limited, whereas, if the continuation of peace were certain, and if property were as secure throughout Germany as it is in Hamburg, his capital would travel in all directions in quest of profitable investment; banking houses would be established,

of the capitalist to purchase commodities, we shall find that it has increased but slightly in corn, because of the prohibition of import, but greatly in sugar, coffee, cotton, silk, and still more in all manufactured commodities. Were the importation of grain free, he would be able to command nearly twice the amount of commodities, in general, that he could have done a century since. Here profits have not fallen with increased cultivation, but have risen greatly. Capital of every description is more easily obtained, and the income arising from it is increased.

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At no period of time were profits in the United States *apparently* so high as during the war. Those profits were, however, attended with great risks, and accordingly, on examination of the prices of stocks, we find that the rate of interest for securities unattended with much risk, were not materially higher than they

to give to the farmers and manufacturers of that country the use of capital; and rail roads and canals would be constructed.

If the effect of this were to bring business to Hamburg, the rents of houses would advance, and their prices would continue undiminished; but, if not, the latter would fall. At present they command high prices, because interest is low, but if interest rose, as it assuredly would with the increased field of employment, the rents would require to advance in the same proportion, to preserve prices undiminished. Here the profits of capital are small, and the price of all descriptions of property producing income is high. When two and a half per cent. is considered sufficient compensation for the use of capital, property will sell for forty years' purchase. Security and the limited field for the application of capital tend to produce the effect of high values and low interest.

In France, we find a different state of things. The stocks of that country are much lower than those of England, and pay a higher rate of interest. In England, money may be borrowed at a lower rate than in France, and the estimate of the cost of capital to the manufacturers of the latter, always exceeds that of the former by one or two per cent. In the disturbed state in which that country has been for so long a period, money has been lent by some at a high rate of interest, while others have kept it in their strong boxes, producing nothing. It is often loaned at Hamburg, or Amsterdam, at little more than half the price the French government are willing to pay, but the Dutch capitalists prefer lower interest and better security. If an average could be struck of the productive power of capital in France, it would be found greatly lower than in England.

Here we have labour abundant and capital scarce, the capitalist taking a larger proportion, whereas in England and in Hamburg, we have capital seeking employment, and the owner compelled, by circumstances that restrain its employment, to take a smaller proportion than he would otherwise be entitled to receive.

have been within a few years. The stock of the Bank of United States yielded—

in 1796,	8 per cent.	and sold at	*125	giving	$6\frac{2}{3}$	per cent.	interest.
1797,	8 do.	do.	*120,	do.	$6\frac{1}{2}$	do.	do.
1802,	9 do.	do.	*145,	do.	$6\frac{1}{5}$	do.	do.
1803,	8 do.	do.	†126,	do.	$6\frac{1}{3}$	do.	do.
1806,	8 do.	do.	†138,	do.	$5\frac{4}{5}$	do.	do.
1807,	10 do.	do.	†122,	do.	$8\frac{1}{5}$	do.	do.
1808,	8 do.	do.	†122,	do.	$6\frac{1}{3}$	do.	do.
1809,	8 do.	do.	†126,	do.	$6\frac{1}{3}$	do.	do.

That of the Bank of Pennsylvania yielded—

in 1801,	9 per cent.	and sold for	125,	giving	$7\frac{1}{5}$	per cent.	interest.
1802,	8 do.	do.	128,	do.	$6\frac{1}{4}$	do.	do.
1803,	8 do.	do.	135½,	do.	$5\frac{9}{10}$	do.	do.
1804,	8 do.	do.	126,	do.	$6\frac{1}{3}$	do.	do.
1805,	8 do.	do.	127,	do.	$6\frac{1}{3}$	do.	do.
1806,	8 do.	do.	133,	do.	6	do.	do.
1807,	8 do.	do.	134,	do.	6	do.	do.
1808,	8 do.	do.	140,	do.	$5\frac{3}{4}$	do.	do.
1809,	8 do.	do.	142,	do.	$5\frac{2}{3}$	do.	do.
1810,	9 do.	do.	143,	do.	$6\frac{1}{3}$	do.	do.

During the past ten years similar stocks have yielded about five and a half per cent.

We now give a view of the price of flour, per barrel, by which the reader will be enabled to compare the profits of capital in provisions generally.

First period,	1785,	-	\$ 5 88	} Average \$ 5 68.
	1786,	-	5 60	
	1787,	-	5 33	
	1788,	-	4 75	
	1789,	-	5 55	
	1790,	-	6 00	
	1791,	-	5 25	
	1792,	-	5 10	
	1793,	-	6 20	
	1794,	-	7 13	

\* Seybert's Statistics, p. 519.

† Ibid. p. 520.



Second period, 1795,	-	\$ 11 90	} Average \$ 9 37.
1796,	-	12 42	
1797,	-	8 88	
1798,	-	8 33	
1799,	-	9 87	
1800,	-	10 00	
1801,	-	10 42	
1802,	-	6 88	
1803,	-	6 83	
1804,	-	8 16	

Third period, 1805,	-	\$ 9 92	} Average \$ 8 24.
1806,	-	7 25	
1807,	-	7 17	
1808,	-	5 58	
1809,	-	6 83	
1810,	-	9 42	
1811,	-	10 08	
1812,	-	9 33	
1813,	-	9 00	
1814,	-	7 83	

Fourth period, 1815,	-	\$ 8 50	} Average \$ 7 44.
1816,	-	9 60	
1817,	-	11 50	
1818,	-	9 67	
1819,	-	6 92	
1820,	-	4 67	
1821,	-	4 67	
1822,	-	6 50	
1823,	-	6 75	
1824,	-	5 67	

Fifth period, 1825,	-	\$ 5 17	} Average \$ 5 36.
1826,	-	4 67	
1827,	-	5 33	
1828,	-	5 25	
1829,	-	6 42	
1830,	-	4 83	
1831,	-	5 50	
1832,	-	5 67	
1833,	-	5 58	
1834,	-	5 25	

Here we see that in the second period, when capital yielded about  $6\frac{1}{4}$  per cent., flour was at \$ 9 37 per barrel—that in the third, when it did not exceed six per cent., the price was \$ 8 24—

and in the fifth, when the average may be taken at five and a half per cent., it was \$ 5 36. It is obvious that the owner of a given amount of capital could purchase a much larger quantity of provisions in the last, than in either of the previous periods to which we have alluded. If a comparison be made of the powers of commanding sugar, coffee, and cotton, the increase will be found vastly greater, but in cotton goods it must have quadrupled. Capital has been, therefore, vastly more productive recently, when the rate of interest was low, than it was during the period of the French Revolution, when profits were *apparently* so great.

Let the reader now compare the facility with which capital is accumulated at the present time, and the power which it possesses of commanding provisions, clothing, and commodities of every description, and he will be satisfied, that as cultivation has been extended over distant, or inferior, soils, there has been a constant diminution in the quantity of exertion required to secure the possession of any given income. He would not now grant the use of one thousand dollars, obtained by the labour of one, or two, or three, months, unless he could obtain for it twice as much flour, cotton, sugar, coffee, and manufactured goods of all descriptions, as he would have been willing to receive for the use of a similar sum at a time when twice as much exertion would have been required to accumulate it.

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Having thus compared the different stages in the progress of the same countries as inferior soils come into action, let us now compare different countries.

From 1824 to 1834, interest on stock in Banks in the United States, did not vary materially from five and a half per cent. From 1824, to the present time, the Bank of England has divided eight per cent. Its stock, during several years, the prices of which are before us, sold at various prices, from 185 to 220. We believe that a fair average may be about 208, giving to the stockholder less than four per cent. The difference between the two countries may be about  $1\frac{1}{2}$  per cent.

A considerable part of this difference unquestionably arises from the limitation in the modes of employing capital, caused by the corn laws, and other restrictions upon the trade of Great

Britain. Were they removed so as to afford the same freedom that exists in the United States, we entertain no doubt that it would be worth  $4\frac{1}{2}$  to 5 per cent. Were that the case, the capitalist in England could command a greater quantity of the commodities required for his use, than he could in the United States. He requires to apply but a small portion of his income to the purchase of articles of the first necessity, and the major part is expended upon those of a superior description, which are cheaper in the former than in the latter. Were the taxation of England reduced to the level of that of the United States, he could live much better there than in any other part of the world.

The Bank of Australia lends money at 10 per cent., and thus we find that as only the most fertile lands require to be cultivated, the *proportion* taken by the owner of capital increases. Is this high proportion accompanied, however, by high profits? Let the capitalist look at the extracts we have given\* in relation to the expenses of living in Sydney—let him reflect upon what it would cost him to command the luxuries that are now so cheaply obtained—and he will be satisfied that he would not gain by transferring himself there. The owner of property yielding \$20,000 per annum would not gain by transferring himself from New York to New Orleans to obtain 8 per cent., nor would the owner of a similar quantity gain by going to New Holland, or to India, with a view to obtain 10 per cent. Each would find that he had lost by so doing—that a high proportion did not mean high profits—and that his means of obtaining those comforts and conveniences which were proper to his station, had been diminished.

If the high *apparent* profits of new settlements were *real*, large amounts of capital would be taken there by the owners, with a view to participate in them. The capitalist of Philadelphia, or of New York, owning unimproved lands, knows that if he were to divide them, clear a few acres, and erect a house upon each of his tracts, he could obtain high rents for them; but the question with him is whether the wages he would thus obtain would compensate him for his

\* Ante, page 54.

time and for the inconvenience and exposure he must undergo. It would not. He would be making small investments with a large return, but the whole amount to be invested would be small, as he could not, probably, in a whole season, make more than 12, 15, or 20 clearings, and erect as many houses. He is unwilling to employ agents, because he cannot invest them with the same judgment that he possesses himself, and therefore his property remains unimproved. If he can find a person there, willing to pay him interest for his money, and a proper compensation for the risk to be incurred, he will prefer to lend it; or he will take stock in a bank to be established in one of the Western States, the combined capital of whose stockholders is sufficiently large to enable them to purchase the services of a president and cashier of ability to manage such an institution, and of integrity to warrant reposing confidence in them. The strongest evidence that need be offered of the inferiority of new settlements for the employment of capital, is to be found in the fact that capitalists do not leave London, Liverpool, or New York, to seek those places in which they can have 10 or 15 per cent., but, on the contrary, when they have accumulated enough to warrant them in so doing, transfer themselves to those places in which the proportion taken by the owner is small, but where large amounts can be used—where talent of every description is in demand—where wages are high—and where the luxuries of life may be had on the most reasonable terms. To do otherwise would be to reverse the course of the merchant, who rejects, by degrees, that portion of his business for which he takes the largest commission, and at length makes his fortune by that upon which he can retain only one per cent., or perhaps even one half per cent. The trader in a small village has a profit of 25 per cent., and remains poor; while the bill broker of London charges but one half, or one quarter per cent., and becomes rich.

Precisely as we rise in the scale, the inducements to a transference to new countries diminish. The labourer may do so, with advantage, *provided large capital has been expended in improving the communications, and giving value to the land, but not otherwise.* The shoemaker and the tailor find less advantage, but the watchmaker, the printer, the engraver, and the

painter, would lose by so doing.\* The owner of a capital of 30 or 40 thousand dollars, *who meant to devote his time to its management*, and whose consumption would be chiefly of articles of the first necessity, might be benefited by it, but the large capitalist would be a loser. The *millionaire* of London could live better at home on five, than in New York with six, in Ohio with eight, or in Australia with ten per cent.

The man who thus goes into a new country, must, if he desire to realize any advantage from the *apparently* high profits of capital, live as those around him do. If he attempt to expend his surplus profits in articles of luxury, he finds that a large portion is absorbed by their increased cost. A man in New South Wales, with an income of £1000 per annum, cannot live better than another in England with £700, because every thing except provisions is to be brought from thence, burthened with heavy freight, and a large advance which the shopkeeper must have to pay him for his time and for the use of capital, for which he is obliged to pay a high rate of interest. The capitalists of Illinois, or Missouri, require a much larger income than those of New York and Philadelphia, to live in the same manner. Those in the latter cities cannot live as well, on the same income, as they could do in Paris and London, were taxation the same as in the United States. The apparently high profits of capital are thus reduced by both the wages of superintendence, and the increased cost of the conveniences of life. The capitalist will not transfer himself from London to New York unless he can be indemnified for this cost. His capital must yield him a higher rate of profit, or it will be retained at home. For this reason it will always be somewhat lower in the great centre of civilization, where the conveniences and luxuries of life may be most cheaply purchased, their diminished price more than making amends for the apparently lower rate of interest, and thus yielding a larger return in commodities. Interest will, therefore, continue to be somewhat lower in London than in New York—in New York than in Cincinnati, or

\* In the proceedings of the Western Australian Association, we find that the mechanic is *least likely* to accumulate capital, because employment is not regular.

St. Louis. If, at any future period, New York should occupy the place now filled by London, the capitalist will have his residence there—there will the luxuries of life be most easily obtained, and there will interest, or the rate of profit, be most moderate.

We now see that the same rules apply to capital, whether invested in money, guns, wagons, axes, ships, or land.

I. That with the increase of capital and extension of cultivation, there is an increased facility of production.

II. That with this increased facility of production, there is increased ability to accumulate capital.

III. That with this increased facility of accumulation, there is a diminution of the power to demand rent or interest, and that the owner can claim, and the labourer will give, a diminished proportion of the product of labour, in return for the use of any species of capital.

IV. That the diminished proportion of this increased product that is assigned to the capitalist, gives him a larger quantity of the commodity produced.

V. That the larger quantity that thus falls to both labourer and capitalist, is exchanged for other commodities at much less cost, as capital and production increase. The owner of the ship and of the wagon transport it to market, and bring in return the commodities desired, taking a constantly decreasing proportion for so doing. The proportion retained by the store-keeper for exchanging is also reduced, and thus every thing tends to increase the quantity of necessities and conveniences that can be obtained by the labourer as wages, and by the capitalist as profits.

VI. That any given quantity of capital is now obtained at much smaller cost of labour than at any time past.

VII. That the quantity of commodities obtainable in return for permitting the use of any given quantity of capital, is greater now than it was 30, 50, 100, or 500 years since.

VIII. That thus, while the *present* reward of labour, in the form of wages, is constantly increasing, there is an equally constant increase in the reward of economy and prudence, in the diminished exertion required to secure to the labourer a *future* income, in the form of rent, or interest.

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If the return to labour and capital be greater in England than in the colonies, what inducement can be held out to induce emigration, or how can the distant parts of the earth be peopled? If such be the case, will it not induce men to remain at home until there shall only be standing room for them? These questions may be asked, and we therefore offer a reply to them.

Let the reader turn to the diagram at page 35, and trace out for himself the manner in which a settlement would be formed, and how, by slow degrees, population would diffuse itself over a territory of any given extent. He will see that the persons who occupy No. 1, accumulate capital, and that the junior members of the society then take possession of No. 2, and that, in regular succession, their juniors extend themselves over Nos. 3, 4, 5, and 6. He will see that the persons who thus take possession of the distant lands are not capitalists, but men who have their fortunes to make, and who do make them by availing themselves of the capital of those who have preceded them. He will satisfy himself that the place for the capitalist is No. 1—that there the amount of trade must be greatest, and that there the commodities required for his consumption must be most readily and cheaply obtained.

If he be resident of a city, he may there trace out for himself the manner in which population tends to diffuse, and capital to concentrate itself. If that city be London, he will see that, as it increases, the smaller traders commence in streets remote from Regent Street, and that they now have it in their power to live better than the shopkeepers of Cheapside could do in former times. He will see the same trader, when he has accumulated capital, transfer himself to the Strand, or to Cheapside. He may next find him in Waterloo Place, or he may possibly meet with him, operating to the amount of millions, in the city. If he reside in New York, he may trace, in like manner, the shopkeeper of the Bowery, to Broadway, to Pearl Street, and finally to Wall Street.

Those cities represent, on a small scale, the operations of the world. As new houses become necessary, they are built adjoining those that are already occupied, and the owner derives advantage from the previous expenditure of their pro-

prietors. So it is with all prosperous settlements. They extend themselves gradually, and each man benefits by his neighbour. What is done in London, and in New York, is done on a large scale in the United States. Emigration is unforced, and their colonies prosper to an extent that never before was known. Were they to attempt to establish colonies at the mouth of Columbia river, they would be in the situation of the man who should build a line of shops, two or three miles out of town, when the same expenditure of capital would have given him a similar number, for which occupants might immediately be found. The attempt to force emigration to distant lands, is as judicious as would be the attempt to enlarge London by the offer of a bounty upon all houses built at the distance of seven miles from Hyde-Park corner. The increase of facilities for locomotion within a few years, diminishes greatly the disadvantage of residing at a distance from the centre of trade, and, at some future period, less inconvenience will be experienced by those residing ten miles distant from the Exchange, than is now felt by those who are five miles distant. So will it be in regard to the lands on Columbia River, those of Australia, and of the Cape of Good Hope. Their time has not yet arrived, but when improvements in navigation shall have rendered them not more distant from Europe, as regards time, than America now is, and when the exchange of their productions can be effected at comparatively small expense, they may and will be occupied with advantage. Until then, the attempts at colonization can result only in waste of capital.



## CHAPTER VII.

## COMPARISON OF THE COST AND VALUE OF EXISTING LANDED CAPITAL.

WE come now to the consideration of the question, "what is the value of existing landed capital, compared to the labour that was required to produce it?" If the power to demand rent for its use is the result of a "necessity for having recourse to inferior soils, yielding a constantly decreasing return," those already appropriated must have had a constant tendency to attain a value exceeding that of the labour bestowed thereon; but if it is due exclusively to labour, the constant increase of the aids thereto, constituting capital, must have tended to diminish the quantity required for the production of a farm of any given productive power, and there must have been a constant tendency in that already existing to fall, in its *labour value*, below the cost of production. If we show that the land heretofore appropriated is not only not worth as much labour as it has cost to produce it in its present condition, but that *it could not be reproduced by the labour that its present value would purchase*, it will be obvious to the reader that its whole value is due to that which has been applied to its improvement. It might however be said, that it has, during a long time, yielded interest, which constitutes a deduction from the cost, and we will, therefore, pause a moment to consider how far that view would be correct. A pound of silver, that had been passing from hand to hand for five hundred years, would now command a very small quantity of labour compared with that which was required for its production. During the whole period it has yielded interest for its use, yet that interest is not an offset against the fall that it has experienced. It is still a pound of silver, and if the facility of producing it had not increased, it would now exchange for the same quantity of labour that it had done in times past.\* If it were now

\* A pound of silver, produced five hundred years since, would have experienced great loss from wear and tear. So would a farm have done. If the

obtained with increased difficulty, owing to the "necessity for having recourse to mines of inferior productive power," it would exchange for a greater quantity of labour than it had done, notwithstanding the interest that had been received for its use. In like manner, a farm, with its improvements, has paid rent, but that rent is not an offset against any fall in value it may have experienced. It is still capable of yielding a given return to a given quantity of labour, and will exchange for the same quantity that was required to produce it, unless the facility for obtaining such farms has increased. If such has been the case, its value in labour must have fallen, but if there has been a necessity for resorting to soils of inferior productive power, it will exchange for more labour than was necessary for its production.

The value of Real Estate in Great Britain and Ireland is thus given:\*

	England.	Scotland.	Ireland.
Land, farm-houses, &c., - -	£1000,000,000	£200,000,000	£400,000,000
Tithes—laity, - - - - -	106,000,000		
Mines and minerals, - - - -	90,600,000	6,600,000	2,600,000
Canals, tolls, &c., - - - - -	61,000,000	2,600,000	2,600,000
Dwelling-houses, warehouses, } manufactories, &c., - - - }	400,000,000	40,000,000	93,000,000
Fisheries, - - - - -	4,000,000	4,600,000	4,600,000
Waste lands, - - - - -	110,000,000	22,000,000	44,000,000
	<u>£1771,600,000</u>	<u>£275,800,000</u>	<u>£546,800,000</u>
Equal to - -	<u>\$8504,000,000</u>	<u>\$1324,000,000</u>	<u>\$2629,000,000</u>

owner of the first had applied, in each year, the earnings of a certain number of days' labour to replace the quantity worn off, and thus maintain its power of producing income, he would have done precisely as the owner of the second does, when he puts upon it the proceeds of a certain number of days' labour, in the form of manure, and thus prevents its deterioration. Had the silver remained idle during all the time, no loss from use would have taken place, but the owner would have been deprived of the income that might have been derived from it. Had the farm remained idle, no manure would have been necessary to maintain its fertility, but the owner would have had no income. In both cases, by using them as aids to labour, the owners have been enabled to enjoy many comforts and conveniences, of which they would have been otherwise deprived—to appropriate as much as was required to repair the loss that might take place—and probably to increase their capitals.

\* Pebrer's Resources of the British Empire, page 351. Mr. Pebrer is not remarkable for the moderation of his calculations, but we are disposed to allow the highest valuation that can be made.

This valuation we believe to be excessive, but are willing to admit it. Property sells for 30 or 35 years' purchase of the rent, because of the difficulties that are interposed in the way of employing capital. Were trade as free as in the United States, capital would command a higher rate of interest, and property would sell at perhaps 20 or 25 years' purchase, reducing the *nominal* value of that of England to perhaps 6,000 millions of dollars, and even that sum would be still further reduced by striking out the item of waste lands, estimated at 110 millions of pounds, or 528 millions of dollars. They can have no value, unless they will yield *rent*. If they would do so, they would be cultivated. Not being so, it is obvious, that they not only will not pay rent, but that they cannot be made to pay wages to any one disposed to cultivate them.

The annual product of England is probably 280 millions of pounds sterling,\* or 1,350 millions of dollars, being less than one sixth of the amount above given as the value of real property of every description. It would, then, allow not six years employment of labour and capital to reproduce the above property, the result of the labour of many centuries.

Were even the value fully equal to the quantity of labour required for their reproduction,† and it must be admitted that it does not exceed that quantity, how vast is the difference between the number of days required now, when aided by the accumulated capital now existing, and that which must have

\* Mr. McCulloch estimates the annual product of Great Britain at about 300 millions, and that of Ireland at less than 50 millions. Mr. Pebrer estimates the whole at 51½ millions. This is unquestionably very extravagant. We have given, for the production of England alone, an amount almost as large as that of Mr. McCulloch for England and Scotland united.

† The following passage exhibits the manner in which capital, invested in buildings, tends to fall in value. Every improvement in the mode of construction diminishes the value of all previously existing.

'The older class of farm buildings are, in very many instances, inconveniently situated, and ill suited to the purposes to which they are now applied. During the present century, however, improved houses and offices have been erected in most districts. But these have not unfrequently been constructed on a far too expensive scale; and numerous instances might be pointed out where the present rent obtained for farms, is little more than sufficient to pay the interest of the money expended on buildings.'—*McCulloch, Statistics of British Empire, Vol. I. p. 462.*

been required at the time when a large portion of the improvements were made. The labour of six years would now produce as many buildings as that of 12 years would have done half a century since, and probably as many as the same number of persons could have produced in 20 years, a century since. Were the property of Great Britain worth as many days labour as have been employed in its *production*, the number of years would be exceedingly great. Instead of being so, the value is greatly inferior to that of the quantity of labour that would now be required for its *reproduction*. The labourer can now purchase land, or any other species of property, by giving the product of a fifth, or a tenth, of the quantity of labour originally required to produce it. He is in the situation of a member of a joint stock company, in which a constant addition is being made to the value of his interest.

Mr. M'Culloch estimates the rental of Great Britain at thirty-four millions of pounds sterling,\* and supposes that one half of this sum is paid for the use of capital, and the remainder for the use of the natural and inherent powers of the soil. We think, however, that it must now be evident to the reader, that the whole amount is paid for the use of capital that has been invested for its improvement.

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In the state of Ohio, the *assessed* value of lands, houses, mills, and all other improvements on land, is 69 millions,† being, as we are informed, about two fifths of their true value, which would, therefore, be 172 millions.

The average value of the product of labour and capital, cannot be estimated at less than one dollar, per day, per head of the labouring population. The whole value of the real estate of Ohio is therefore 172 millions of days' labour, being equal to that of about 570,000 men for one year. The state contains

\* 'Estimating the whole rental of Great Britain at thirty-four millions, if we set apart seventeen millions as real rent, and regard the remaining seventeen millions as interest on account of buildings, fences, drains, roads, and other improvements of the soil, we shall certainly be within the mark.'—*Statistical Account of the British Empire*, Vol. I. p. 534.

† Report of the Auditor of State, 1836.

about 300,000 males, between the ages of 16 and 60. Suppose that the whole were to devote themselves to the clearing and enclosing of land—the making of roads and bridges—the building of houses and barns, of churches and court houses, would it be possible that in two years they could reproduce the state of Ohio? It must be obvious that it would not.

The assessed value of lands, houses, &c., in the state of New York, in 1834, was 387 millions,\* being, as we are informed, about two thirds of the true value. Adding thereto one half, we should have 580 millions, or for round numbers, we will say 600 millions, for the real value, being equal to that number of days' labour; or of that of 2 millions of men for one year. The State contained, at the last census, above half a million of males, between the ages of 16 and 60, and now has probably 600,000. The total value of real estate, is, therefore, equal to between three and four years' labour of the male population. Let the reader look at the vast extent of land in cultivation—at the quantity of labour required to clear and enclose it, and to construct the roads, canals, and rail roads, by which it is intersected—at the churches, court houses, school houses and other public buildings—at the cities and towns which it contains—at the wharves, bridges, and improvements of every description, that are so numerous, and he will be satisfied that double, or treble, that quantity of labour would not replace them.

The real property of the United States, in 1834, might be valued at probably six times as much as that of New York—say 3,600 millions. It certainly cannot exceed 4,000 millions. The value of the annual product of the labour and capital of the Union is about 1,500 millions of dollars,† being three-eighths of the value of all the real estate. If the whole of this capital and labour could be applied to the reproduction of the improvements now existing, without the necessity of devoting any portion of the time to the production of food, or clothing,

\* Williams's New York Annual Register. In 1836, the assessed value was 539 millions. In 1838, it is probable, that it will not be rated higher than in 1834.

† In estimating the product of the United States, we are governed by the value of labour, which is higher in the United States than in England.

could it be done in two and a half years? could it be done in five years? or even in ten years? If the reader agree with us in saying that it could not, it must be evident to him that it would not exchange for as much labour as the improvements have cost to produce, and that the rent now received for the use of landed property is only interest upon *a portion* of the capital expended to give value thereto.

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William Penn imagined, when he obtained a grant of all that land which now constitutes Pennsylvania, and westward as far as the Pacific Ocean, that he had a princely estate. He invested his capital in the transport of settlers, and devoted his time and attention to the new colony, but after many years of turmoil and vexation, found himself so much embarrassed in his affairs, that in the year 1708 he mortgaged the whole for £6600 sterling, to pay the debts he had incurred in settling the province. We have been favoured with an extract from his MS. accounts,\* showing the amount of his expenditure and receipts during the first twenty years, by which it appears that he received the grant in payment of a debt, amounting, with interest, to £29,200; that his expenditure, interest included, was £52,373, and that the whole amount received was only £19,460, leaving him *minus*, altogether £62,113. Some years afterwards, the Government made an agreement with him to purchase the whole at £12,000, but a fit of apoplexy prevented the completion of the agreement. At his death he left his Irish estates to his favourite child, as the most valuable portion of his property. *His American property was not worth the cost of production.*

\* My father engaged in the victualling the navy with Sir David Gawden Anno. 1666:—Upon which account the Crown became Debtor to him in 1670, about £10,000.—I solicited a satisfaction till the year 80; and in 1682 when, (after all my Tedious and Chargeable attendances from my Family and Comforts of life at London, New Market and Windsor, as well as these violated Promises made me upon the Fee Farm and Chimney money) I only obtained my Interest in America, by no means a proportionable Satisfaction; but what I might make so, in time by my Interest and Industry; and from thence ceased to urge the Debt any more upon the Crown to this day—To which End I embarked with many families to seek our quiet in that remote wilderness, where I have by my presence, Great Expense, Hazard and a suitable Industry and theirs that went on

The Duke of York obtained a similar grant of New Jersey but many years afterwards it was offered for sale at about £5000, being probably much less than had been expended upon it.

The owners of unoccupied lands in the United States, have found to their cost, that the "natural agent" was of little value. Led away in the same manner with William Penn, the Duke of York, the grantees of the Swan River settlement, and many others, they supposed that land must become very valuable, and many men of great acuteness were induced to invest large

my account made a country without example for the time—and it hath cost me almost as much in my attendance at Court to preserve it to me and them.

*A general account of the Cost and Charges of Pennsylvania and County's annexed.*

There was due to me in 1670 for money paid in with Sir D. Gawden for victualling the King's navy as appears by his accounts,	£10,000
To interest thereon from 1670 at 6 per cent.,	19,200
To 11 years charges in attendance upon the court for my satisfaction at £200 per annum,	2,200
To the Interest at 6 per cent. from '70,	4,224
To the charges of the first three years after my patent was Granted to begin the settlement of my country in America,	10,500
To Interest at 6 per cent. from '83,	11,500
To my Voyage for England and two years and half Expense in the Dispute I had with Lord Baltimore,	2,600
To Interest from '85,	2,650
To the maintaining a Deputy Governor 18 years at 300 per annum,	5,400
To Interest for the same at 9 years for the whole 18,	2,916
To my last Voyage and two years Residence and return,	3,060
To two years Interest,	360
To the Expense of 17 years attendance for preservation of my Government and Interest at but 300 per annum,	5,100
To full Interest for half the time,	2,451
	<hr/> 81,573
	Cr.
By land sold,	£9,000
Interest for 19 years,	8,100
By more land,	2,000
Three years Interest,	360
	<hr/> 19,460
	<hr/> 62,113

sums in the purchase of it. Robert Morris, the able financier of the Revolution, was one who pushed this speculation to the greatest extent. He took up immense quantities at very low prices, often as low as 10 cents per acre, but experience has shown his error. His property, although much of it was excellent, has never paid cost and charges, and such has been the result of all operations of a similar kind. Numerous persons, owners of thousands, and tens of thousands, of acres, who have been paying county and road taxes, and have been impoverishing themselves thereby, would now gladly receive the amount of their expenses and interest thereon, losing altogether the original cost. This does not arise from the absence of fertility, but from the nature of value in land, which cannot exceed the amount of labour bestowed upon it, and must generally fall short of it, as those parties now find.

The Holland Land Company purchased large quantities at exceedingly low prices, and their property has been well managed, but the proprietors have sunk a vast amount of capital. No portion of the United States has improved more rapidly than that part of the State of New York in which it was chiefly situated; none has derived greater advantage from the construction of the Erie Canal; and yet nearly, if not quite, the whole of the original purchase money has been sunk. Had they given away the land, and employed otherwise the same amount of capital that was used to improve it, the result would have been vastly more advantageous.

Vast bodies of land in the state of Pennsylvania, containing coal and iron, unlimited in quantity, have been abandoned by the owners, after having paid taxes thereon for 20, 30 or 40 years. Those taxes amount to 1, 2, or 3 cents per acre, and at those prices, within the last five years, have extensive tracts, situated near the great western canal, been purchased. The proprietors have paid taxes for a long series of years; with those taxes roads have been made; the State has constructed a canal; and yet those lands are not worth one tenth part of what they have cost. They are abandoned by their owners, and sold to any one who will pay a few cents per acre for maintaining roads through them, and for other county expenses. At some future period they will probably sell for twice



as many dollars as they would now command cents, and then the value will be attributed to the vast productiveness of the soil, for the use of which rent is paid. Why can it now command no rent? Roads have been made—a canal has been made—a rail road is about to be made—and yet they are worth scarcely one year's taxes, although filled with coal and iron! while others of far inferior capability, as regards production, situated near the Delaware, or Schuylkill, are of immense value, and pay large rents. There is here no *necessity* for working inferior lands, when greatly superior may be had, *in fee*, for little more than the trouble of taking possession of them.

The United States have paid large sums to France and Spain, and to the Aborigines, for lands which they have since sold, and are now selling. They have had advantages for the speculation, such as never were enjoyed before by any speculators, in the activity and energy of the people upon whose exertions they had to depend for the value of their property. Had there been less of those qualities, or had the nation been engaged in wars such as those waged by France and England, by which capital would have been prevented from accumulating, ages might have elapsed before the government could have received the amount invested in the several purchases referred to. Fortunately, peace has existed and capital has grown with wonderful rapidity—roads and bridges, canals and rail-roads, have been constructed—steamboats have been invented, and every other mode of facilitating intercourse with the unsettled lands has been adopted. The mighty canals of New York and Pennsylvania, already constructed, and those of Ohio, Indiana, and Illinois, now made, or being made, are so much capital invested for the especial advantage of the United States, the great owners of those immense bodies of land. Were the capital actually invested for their benefit fairly estimated, it would be found that the price which the government receives for them is not equal to the interest they have obtained therein, leaving aside entirely the original purchase money.

Notwithstanding all these advantages, the amount received at the close of 1835, was only equal to that actually expended—viz. fifty-eight millions of dollars. Had not those held by the government been exempted from the payment of all taxes,

the great proprietor would have found their possession a very losing business. Under the existing system, the purchasers make roads for the benefit of the great landholder, and the lands that are rejected in one year as inferior, are taken up in the next, because they have acquired advantages of situation, *i. e.* capital has been expended for their benefit.

Speculators in land sometimes understand this matter perfectly well, and are willing to give alternate bodies of it to actual settlers. But a short time since, large quantities were offered for sale at one cent per acre, to any person willing to settle in Texas. Had the grantees of land in that country been able to find persons willing to settle on such terms, they would have been most fortunate, and would have been spared the necessity of investing their capital and employing their time in the manner that was found by William Penn to be so unproductive.

The United States have reserved certain bodies of land for the purposes of education, and Great Britain has done the same, in Canada, for the benefit of the church. The result has been different. In the former they have become valuable, but in the latter the experiment has been a failure. The inducements to emigration from Europe to the United States being great, and the natural growth of population immense, with activity and energy commensurate thereto, value has been given to the lands so reserved. Canada, on the contrary, has laboured under the disadvantage of a colonial government, and its progress, though considerable, having been very different from that of the United States, the church reservations have been an impediment to improvement that they have not had the power to overcome.\* Had the circumstances of the people of the latter been less prosperous than they have been, it is possible that equal disadvantage might have arisen from their reservations, when coupled with the exemption from taxes of all lands belonging to the great land owner.

A strong instance of the effect of such reservations upon a body of people of limited means, is to be found in the city of

\* 'The reserves stand so many desert spots in the midst of improvements, retarding the settlement, interrupting the communications, and injuring the wealth and civilization of all that is round them.'—*Senior, p. 182.*

Washington. The public lands being free from taxation, the unfortunate individual owners have to support the expenses of an immense extent of streets and roads, in the property bordering upon which they have no interest whatever. They are devoting the proceeds of their lands and houses, their labour and their capital, to the improvement of the public property, and the weight is so oppressive as almost to have destroyed the value of private property. Canada is a medium between Washington and the United States. The occupants of land in the first are not so heavily burthened in this way as are those of the second, but they do not possess that momentum which is requisite to enable them to triumph over the difficulty with the ease with which it is done by those of the last.

We have thus examined the relation that exists between the cost of production and the present value of landed property in one of the countries of Europe; in one of the old States of the American Union, and in one of the new States; and will now proceed to inquire how far the results ascertained correspond with those observed in one of the new colonies of the present day. Fortunately the Report on that of Western Australia enables us to give a very minute view of both the cost and present value of property there. We find that the

Value of imports, from 1829, to 1835, was - - - £394,095

and that the exports were

87 bales of wool, containing about 13,000 pounds,	
at 1s. 9d. - - - - -	1,137

Balance, - - - - -	£392,958
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In 1836, the exports were 12,500 pounds of wool, value about £1100, and fifteen tons of gum.

If to the amount of imports be added the expenditure of the various persons who have transported themselves, the cost and management of the Company, and other expenses, we may fairly estimate the investment at £500,000, or \$2,400,000.

The property existing in the colony, in 1835, was as follows:

*Moveable.*

5300 sheep, at 50s., or \$12, each,	- - - - -	£13,250
170 horses, at £35, or \$168, each,	- - - - -	6,950
540 horned cattle, at £12, or \$57.60, each,	- - - - -	6,480
500 goats, at 30s., or \$7.20, each,	- - - - -	750
550 swine, at 20s., or \$4.80, each,	- - - - -	550
Craft, boats and gear,	- - - - -	3,000
Furniture in houses,	- - - - -	10,000
*Clothing for 1,683 persons, at £5, each,	- - - - -	8,415
Farming implements, machinery, &c.,	- - - - -	5,000
Merchandise in land,†	- - - - -	15,000
Bullion, coin, &c.,	- - - - -	5,000

*Immoveable.*

Houses, 370, in Perth and Freemantle,	- - - - -	30,000
Land cultivated, 1,579 acres, at £15 per acre, including farm-houses and buildings,	- - - - -	33,685
Land granted, and wholly or in part occupied as sheep or stock runs, 160,000 acres, at 5s.,	- - - - -	40,000
Land granted, remaining unoccupied, 1,379,616 acres, at 2s.,	- - - - -	137,961
Public buildings, gaols, &c.,	- - - - -	13,000
Roads, bridges, and wharves,	- - - - -	2,000
		<hr/>
		£331,041

From this amount may be deducted—

Land granted, <i>but not occupied</i> , and possessing no value whatever,	- - - - -	£137,961
Excess of valuation of cattle, houses, &c., at least,		9,039
Excess of valuation of land in cultivation, at least one-third,	- - - - -	11,000
		<hr/>
Carried forward,		£158,000

\* In the census of persons, the number is stated at 1550. In that of property, at 1683. We have no means of ascertaining which is correct.

† *Sic. in orig.*

Brought forward,	£158,000
One hundred and forty thousand acres of land granted as "stock runs," but for the use of which there is not "stock" in the colony, the remaining 20,000 acres, being equal to three for every existing quadruped,* - - - - -	35,000
	<hr/> £193,000

There will remain a balance of - - - - - £138,041 to represent half a million of pounds expended.

The number of inhabitants is 1550, and if they were divided into families of four persons each, there would be three hundred and eighty-eight. The average expenditure for every four persons does not vary materially from £1,300, or \$6,240, in return for which, each family would have, on a division of the whole property,—

$\frac{25}{100}$ of a house valued at £81, or less than \$400,	
Fourteen sheep,	
Less than one-half of a horse,	
One and a half horned cattle,	} with land on which to pasture them.
One and one-third goats,	
One and a half swine,	
Craft, boats, gear, furniture, clothing, farming implements, merchandise, bullion, coin, valued at £125=\$600, and	
Four acres of land in cultivation, with the improvements thereon.	

This is, indeed, "a beggarly account of empty boxes." The colony has been supported by the constant transmission of commodities of various descriptions required for the use of the settlers, who have consumed them, and have scarcely any thing left to represent their value. If left now to depend upon their own resources, how could they pay for the clothing, furniture, and other commodities required? It would be impossible for them to do so, and they would be reduced to extreme distress. Capital, to the amount of half a million of pounds,

\* This land is valued at 5s. per acre, but at page 50 we have given a statement, showing that landed estates may be purchased from the original settlers at *one shilling*.

has been wasted in the establishment of a *pauper colony*, that does not possess the means of paying the mother country for any portion of the supplies that are required, and that would perish were it left to itself.

The prospects of the proprietors do not appear much more satisfactory than those of the settlers. The revenue of 1834, including *Parliamentary grants*, sales of land, and duty on spirits and licenses, was £9,750, and the outlay for the civil service, was £12,175. In 1835, the income was £11,813, and the outlay £9,361. Income for the two years, £21,663. Expenditure, £21,536. The land granted for the purpose of being used as "sheep or stock runs," is equal to 24 acres for each quadruped in the colony, and as nine tenths consist of sheep, goats, or swine, it is obvious that some time must elapse before much more can be required for that purpose. When it shall be so, there are, however, 1,379,616 acres "granted, but not occupied," being about 200 acres for each animal, and sufficient to find pasturage for their descendants for a long time to come. The income from sales of land is, therefore, likely to be small, and unless the *Parliamentary grant* be large, it will be necessary to add to the duties on spirits and licenses a considerable amount of taxation, to meet the expenses of government. On the whole, we have never seen an instance of more complete failure than is here shown in the Colony of Western Australia, or Swan River.

Had the promoters of emigration studied the laws of nature, they would have seen that man is dependent upon his fellow men, and never, voluntarily, separates himself from connexion with his species. They would have seen that nothing but failure could attend the attempt to establish a colony at so great a distance from the civilized world, and that it would have been not more absurd in William Penn to select the country beyond the Allegheny Mountains, in preference to the shores of Delaware, than it is in them to select Australia, in preference to the United States, or Canada. Had the same number of families been transported to the former, each possessing a capital of £1,300, they might now possess property greatly exceeding that amount, and very moderate exertion would give them the power of expending *at least* £300, or \$1500 per

annum. Instead of a pauper colony, cultivating the most fertile soils and dependent for its existence upon Parliamentary grants, and upon the continuance of the power of importing merchandise for which they are totally unable to pay in any form whatever, they would constitute a prosperous colony, upon the inferior soils of the United States, and be now consumers of British merchandise to the amount of at least £10,000 per annum, while their consumption of tea, coffee, sugar, silks, and of the various commodities produced in the United States, would enable the producers thereof to consume more largely of the products of Great Britain. They would be more useful to their mother country than the colony will be when it shall number 10,000 inhabitants, and no part of the British navy would be required for their protection.

It would be important for the projectors of future colonies to calculate what would now be the value of the same half million of pounds retained in Great Britain, and employed in enabling the same 1550 persons to produce corn, or cotton goods. We think it cannot be doubted, that they would have had at least twenty times as much to exchange with their neighbours, producers of those commodities which they are now obliged to import from Europe. They would have been saved the misery and wretchedness through which they have arrived at their present condition; the capital employed in erecting gaols and other public buildings, would have been saved; they would not have required any expenditure on the part of the government for their protection, but, on the contrary, would have contributed their share towards the expenses of that government. It seems to be forgotten that men are both producers and consumers, and that in transporting the one, the other is lost to the nation. At home, they would have produced *at least as much as they consumed*, but abroad, they have consumed a vast amount of capital and have produced nothing.

The United States sell land at \$1.25. The proprietors of the *New South Australian* Company propose to fix theirs at 12 shillings sterling [\$2 88] per acre,\* being more than double

\* Colonel Torrens was of opinion that land in the colony of South Australia would be 'remarkably cheap at £2,—\$9 60, per acre.'—*Colonization, by Colonel Torrens*, p. 67. *Quoted in Westminster Review*, No. 45.

the price that is paid for the best in the Western Territories. The few who avail themselves of the offer, will find, after they have paid their money, that they have purchased what is valueless, and that they cannot make better wages with that investment, than they could have done, elsewhere, without it. Had the proprietors proposed to invest the proceeds in the improvement of roads, the construction of bridges, and the erection of mills and other conveniences for the settler, he might have before him the prospect of improvement, but as it is, he must find capital for the purchase of land—for its improvement—for the building of houses—for the making of roads, and for all those aids to labour which he has been accustomed to find provided for him at home. Instead of so investing it, they propose to employ the whole proceeds in the transportation of additional labour, the capital for the employment of which does not exist in the country. The consequence to the settlers can hardly fail to be universal distress and destitution, while the proprietors will find themselves in the situation of William Penn, possessed of property that will not sell for as much as it has cost to produce.

The object of the parties, in placing so high a value upon an article that has none, is to promote concentration and combination of labour. It was suggested, a few years since, that when land was superabundant, there was a tendency in men to scatter themselves over too extensive a field, and that advantage would arise from *compelling* them, by high prices, to remain together.\* It was seen that the lands of the United

\* This idea was first suggested by Mr. Wakefield, in his work, "England and America." The following brief sketch of the principle, is thus given in a pamphlet on Poor Laws for Ireland, by H. G. Ward Esq. 'In all countries, when land is in superabundance, as compared with the population, a *sufficient* price must be affixed to the land to secure to society the advantages of combined labour. The poorer emigrant must not be enabled, without capital or preparation of any kind, to become at once a land owner; nor must the capitalist be tempted, by affixing too low a price to the land, to surround himself with a desert which he has not the means of cultivating. For the sake of both parties, a certain degree of external pressure must be kept up, in order to hold society together, and to preserve those relations between man and man, upon which the subsequent prosperity of all depends; while at the same time, the pressure must not be such as to prevent any desirable degree of expansion in the field of employment for labour, in proportion as wealth and population increase.' pp. 8, 9. The land was given to man



States had some value, and that they were constantly purchased from the government, but as it was not seen that all the value was the result of capital applied to them, it was supposed that lands elsewhere might be made to command a higher price by affixing it to them. Accordingly, a course has been adopted that must forbid them from being occupied. The experience of

for his use, and it can have no value but from his labour, but he is to be forbidden to occupy it unless he will pay a high price for permission so to do. The United States have pursued a course materially different, and the result has proved the wisdom of it. They permit any man to take up land, and if any labourer think proper to become a land-owner too soon they allow him to experience the inconvenience of so doing, as a warning to those who follow him. They permit any capitalist to take what he thinks proper, very certain that if he attempt to surround himself with a desert waste, *the application for the amount of his taxes for the purpose of making roads, and thus reclaiming this desert waste, will bring him to his senses.*

Mr. Malthus was troubled with the apprehension of too great a density of population. The present theory is *concentration*, and dispersion is the evil to be guarded against. It is singular that it should not occur to these writers, that when every man is left to manage his own affairs they will be better managed than when rules are laid down for his government. The three great requisites for the production of wealth seem to be, in the estimation of most political economists—first, regulation—second, regulation—third, regulation. *Mr. Wakefield's principle is sound.* Man is most productive when he has the advantage of the previous expenditures of those who have preceded him, and for that reason, *the whole system of colonization, as at present forced, is, to the last degree, unsound.* Men are forced to scatter themselves over the earth, and then they are to be compelled to remain together, *to endeavour to secure, in a wild country, some small portion of the advantages which they might have enjoyed in full, at home,* had they been permitted to employ their time, talents, and capital, freely, and had there been permitted to expend, in their own way, the fruits of their labour, instead of giving it for the support of armies and navies for the defence of *previously existing pauper colonies.*

The value of land seems to be better understood by some of the weavers, than by some of the political economists, as is shown by the following extract from their address to Mr. Poulett Scrope, on the subject of emigration.

'We are to sail—we, the indigent and distressed—we, the burden and discredit of our country,—and when we get over the great salt pond, what are we to have? "Abundance of rich land to be had for asking there!" In other words, "live horse and thou shalt have grass!" We are to sit down beside an impenetrable forest, to teach the art of emigration to its present four-footed possessors, to fell its firs and pines, and to "tear from the soil those magnificent stumps which now encumber it: and when all this is done we are to have four shillings a day, if—if wages do not droop fifteen per cent., several times over, before then, by reason of competition and increased immigration! as they recently did in Van Dieman's Land."—*Quoted by Gaskell—Artisans and Machinery, p. 392.*

Van Dieman's Land\* might have proved the incorrectness of this idea. At Singapore† the experiment has been tried, and has proved a failure, as it must always do. The whole real property of Australia, would not sell for as much as the *Government* of Great Britain has expended upon it, leaving entirely out of view the vast amount invested by individuals. Not only would it not exchange for what has been expended, but it would not sell for as much as would suffice to replace the present improvements; notwithstanding which, it is supposed, that unimproved lands, at a distance from all capital, can be made to yield revenue to the owners.‡

We shall now inquire how far the value of property in cities and towns corresponds with the cost of production.

The Rental of London is stated to be seven millions of pounds sterling.§ Estimating the value at 22 years' purchase, and we

\* In 1831, the minimum price in Van Dieman's Land was fixed at 5s. per acre, but 'until this day,' says the editor of the Van Dieman's Land Annual, 'a period of about three years that the plan has been in force, only one individual, and 'he a retired officer, who received the commutation of his pay, has purchased a 'farm of unlocated land on these terms.'—*Quoted in Westminster Review*, No. 45, p. 119.

† The settlement of Singapore was commenced in 1819, when it contained a village of 150 piratical fishermen. Land was given to all who would clear and cultivate it. In 1832, the population had risen to 20,000, and the import trade amounted to eight millions and a half of dollars, while the export trade exceeded seven millions. The price of land was advanced to ten dollars per acre, and improvement was stopped.—*Westminster Review*, No. 45, p. 118.

‡ A Committee of the House of Commons has recommended the establishment of a Central Board to have control over the disposal of land in the colonies, believing, apparently, that by fixing a price upon land, in imitation of the system of the United States, a considerable income may be derived therefrom. One advantage may be derived from this system, and that will be the prevention of grants of large bodies to speculators, who are thereby induced to take thousands of men into exile, to experience the poverty and wretchedness of the Swan River Colony; but the supposition that any income can be derived from it, except possibly from the land in Canada, is as absurd as it would be to suppose that the United States could derive any advantage from establishing a Board for the sale of lands west of the Rocky Mountains. If the *waste lands of England* were the property of the nation, a steady income might be derived from them, because the constant expenditure of capital on roads and canals, and the constant improvement in agricultural instruments, are giving them value, but no such improvements can be made in Australia, or at the Cape of Good Hope, for centuries to come.

§ The Great Metropolis, page 7. New York edition.

believe it does not exceed that number, the amount would be 154 millions of pounds.

The wages of the labourers, mechanics, architects, and other persons required in the building of such a city, would be very low at 4s. per day, or £60 per annum. At that rate there would be required  $2\frac{1}{2}$  millions of persons for one year, or half a million for five years, to rebuild it, and to give it all the advantages of streets, wharves, docks, water-pipes, sewers, churches, courts of justice, prisons, palaces, &c., &c., &c., which now give it value. We think it not very certain that *the public works and buildings* could be reproduced at this cost, leaving out of view, entirely, the dwelling-houses, shops, warehouses, &c. It is certain that the whole could not be reproduced by the expenditure of double, treble, or quadruple the quantity of labour that could be purchased by any body of men, having at command the sum of 154 millions of pounds.

The assessed value of the city and county of Philadelphia, in 1835, was 47 millions of dollars, and the true value about 117 millions, being equal to that number of days' labour, or that of 80,000 men for five years. Let us look at the amount of labour required to clear this tract of land of the timber with which it was covered—to fence it—to prepare the land for cultivation—to make roads and bridges—to erect the public buildings—to build a city containing probably 50,000 houses—to make wharves—to pave its many miles of streets—to construct sewers—to build the water works and lay the pipes by which water is conveyed to all parts of the city—with innumerable other improvements—and it will be seen, that the labour required to reconstruct them would vastly exceed that which their present value would command. That which has been required to construct the *State* canals and rail roads, has cost almost one fifth of the sum. Let the labour required for the construction of those works, five times repeated, be compared with that necessary for the reproduction of the county of Philadelphia, and it will be seen how utterly inadequate it would be.

There is no species of property that proves, more incontrovertibly, that value is to be attributed to labour and capital, than lots in and near cities. If we take those around Phila-

delphia and New York, and the same may be said of those around Liverpool and London, and ascertain the amount that has been paid by their owners for taxes, to be applied to the opening and paving of streets, and for other purposes, we shall find that the prices, high as they are, at which they now sell, are small when compared with their cost. A few dollars paid annually, upon an unproductive lot, from the time of William Penn, will be found, when interest is calculated thereupon, to amount to an immense sum. Had the owners invested the same capital in stock yielding two per cent. per annum, the result would have been more advantageous.

According to the doctrine that the necessity for resorting to less fertile lands is the cause of rent being paid, it may be said that high rents are paid in Chancery Lane and the Strand—Wall Street and Broadway—because of the *necessity* for resorting to more distant places of business. We might admit this if it were accompanied by diminished reward of talent, or profits of trade, but when we see that the extension to other streets is accompanied by a constantly increasing facility in realizing a competence, we must attribute it to an increase of production that enables men to obtain, in distant parts of the town, a reward for their time and attention greater than could formerly be obtained in the great thoroughfares.

As the reader will have before him numerous cases of a constant increase in the value of property in the city, or town, in which he may reside, conflicting, *apparently*, with the views which we have submitted, we will trace the growth of value in a city, and will take that in which we write: Philadelphia. The first settlers chose their lots in Front Street, and the lower part of Market Street, the cost of which was little more than the expense of transporting themselves thereto. William Penn had incurred certain expenses in preparing for them, for which he claimed, as remuneration, a very small sum, say a few dollars, for each lot. In building the houses, it was necessary either to use wood, or to import bricks from abroad. In either case, from the deficiency of machinery, the quantity of labour required for their construction was vastly greater than at present. The occupants were required to contribute towards paving the streets, and making other improvements,

by which lots somewhat more distant were brought into action. When the first twelve houses had been built, *lot* No. 13 would have acquired a value nearly equal to No. 12, and but little inferior to that of No. 1. It had, however, contributed less to the improvements by which value had been given, because it had paid taxes as an unoccupied lot, whereas the others had been assessed for the value of the lots and buildings. The value of No. 12 would exceed that of No. 13, by the cost of the building, and by a small portion of the taxes that had been paid. The increase of trade that had taken place, would enable its occupant to realize an increased compensation for his time, but he could do nearly as well in a house built upon No. 13. *A part of the investment* that had been made would thus be found in the increased value of the property, and another part in the increased ability to make wages for his time and attention. If improved machinery, and greater facilities of transportation, had diminished the cost of building, the difference would be a deduction from the value of *the house* on No. 12, and from that of all previously built, which would not now exchange for more than the value of the labour required to produce equally good ones, with a certain allowance for the capital expended in giving them 'advantages of situation.' After a time a market house was built, at the expense of the settlers, and the streets were extended. Persons who owned land that had been used for cultivation, found that the expenditure had given value to those farms for town lots, and were willing to part with their interest therein at a small price. The houses first built had been paying, during all this time, for the improvements, and their value had again risen, but not to the extent of the sums they had paid. The owners felt the advantage of the rise, because they had paid their contributions out of their rents; but had each man retained for himself a vacant lot, and calculated its cost, he would have found it to be much more than it would produce on sale. The improvements had given value to property more distant, which was now in the market in competition. Further improvements are made, and a further rise takes place in the property near the market, owing to the contributions of the owners. Property at a distance rises also, and is again in competition with that already built upon. The im-

provements in machinery cause a further diminution in the quantity of labour required for building, and the first house would now exchange for a much smaller quantity of labour than had been required to erect it, were it not for the advantages of situation *the lot* had acquired from the investments of capital for the making of streets, &c., &c. Property is constantly rising in its exchangeable value, in money, and also, but more slowly, in labour; but the competition of more distant lots tends constantly to keep it below the amount that has been required for its production. Business extends itself up Market Street, and into the cross streets; it goes up Chestnut Street; the western end of the town becomes the fashionable place of residence, and the value of the older parts of the city is lessened by the facility of obtaining lots in the newer parts, and by that afforded to the occupants, by an omnibus, in transferring themselves to their places of business. A building lot, removed a few hundred yards from the centre of the city, may be purchased for a few hundred dollars, *i. e.* the owner is willing to part with his interest in all the improvements that have been made, for that sum. The value of the house to be built upon it would be the cost of the building, and the price of the lot. A house nearer the centre of business, is worth more, by two, three, or five thousand dollars, but it has contributed more by many thousand dollars to the various improvements that have been made, having been built many years earlier. Those contributions have been in a great degree unfelt, having been paid out of the wages of the occupant;\* but, while they have enabled the owner to demand a constantly increasing rent, they have aided in giving value to the more distant, or inferior, lots, which are always in the market, in competition with them, and the occupants of which are enabled, as the town extends, to obtain a constantly increasing return to labour and capital.

Were an investigation made of the quantity of labour that would be required to reconstruct all the stores and dwellings

\* The owner of a house must have, as rent, the usual profits of capital, *and the taxes*. The occupant must pay both, as no capitalist will build houses unless he can have, for capital so invested, a clear income, equal to that which any other mode of employing it would yield him. The former is rewarded by an increased power of making wages.

of the city, and a valuation made of the same, it would be found that the excess over the cost of rebuilding, would be far less than would be necessary to grade and pave the streets, erect public buildings, construct the wharves, &c., &c., by which value has been given to them. Such being the case, it is obvious that none has arisen out of the proximity of the Delaware, or of the Ocean.

Had the same capital been expended upon the site of Lancaster, or Germantown, the value would have been much less than it is, precisely as labour expended in the attempt to polish a piece of granite, would be less productive than that expended upon a piece of marble. A man may misapply his time, and obtain a product that will not pay him—he may sow his grain among thistles, and obtain no crop—but that is no evidence that he who selects a piece of fertile land, and prepares it properly, obtains a larger reward than the value of the labour that has been applied. In the case of town lots, as well as of lands, the question to be solved is, ‘will the property be worth as much as it will cost to improve it?’ It may be much less, if the selection of a site be injudicious, or if the party select a lot that is badly situated. *It cannot*, certainly, *exceed* the value of the labour expended. If New York, Philadelphia, Pittsburgh, London, and Paris, would not now exchange for as much labour as has been expended upon producing them, what is the value of town lots in a new settlement, to the improvement of which no capital has been applied? This is a question of much importance to those speculators in land who have given large sums for town sites, believing that natural advantages were a cause of value.

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We trust the reader is now satisfied that property in land, and houses, is subject to the same laws as that accumulated in the form of axes, ships, or machinery of any other description calculated to aid labour, and that as population increases—as capital becomes more abundant—and as cultivation is extended—there is a constant diminution in its power of commanding labour in exchange, as well as a diminution in the proportion of the product of labour that can be demanded in return for permitting it to be used.

The changes we have thus far remarked are those produced in a long course of time, but we now propose to show that change of *place* will give us the same variations, *at the present time*, showing that this is a law of nature, uniform and constant in its operation.

If we now take various nations of the earth, in the several stages of civilization, to wit, Scotland, the Netherlands, France, Spain, we shall find in each the counterpart of the condition of England at some time past, with a corresponding increase in the quantity of labour that may be obtained for a pound of silver, until at length we arrive at India, where we find the nearest approach to the condition of England in the thirteenth or fourteenth century, and find also that the quantity of labour that can be obtained for a pound of silver, is as great as it was at that time in England.

In comparing the value of lands, houses, mills, and other landed property, with labour, we find a similar result. Where improvements have been greatest, *we find the estimated value of existing landed capital to bear the least proportion to existing labour*. We find the machinery by which labour is assisted in the United States, to be worth nearly three years\* of the product of labour, while in England it is worth that of six years.

In comparing the three kingdoms of which the British Empire is composed, we find a similar result. Mr. McCulloch estimates the total product of Great Britain at 297 millions, the proportion of which, according to population, would be,

For England and Wales, 254 millions,

Scotland, 43 “

The average product of Scotland, per head, is considerably less than that of England, and the amount cannot be taken at more than 36 millions, leaving 261 for England and Wales. Mr. McCulloch's estimate of the product of Ireland, is 50 millions.†

We have already given the value of the real estate, canals,

\* At page 106, we have given the value of the property of Ohio at two years' labour of its population, and that of New York at between three and four years. This result is produced by the assumption that labour in Ohio is assisted by capital to the same extent as in New York, which is not the case. If we could obtain the actual value of property and product of labour and capital in the two States, it would be found that the valuation of Ohio would be equal to more labour than that of New York, proving that *where capital most abounds its labour value is lowest*.

† Statistics of British Empire, Vol. I. p. 593.



manufactories, and machinery of the three kingdoms,\* by examining which the reader will see that that of Scotland is nearly eight years' purchase of the product of labour, and that of Ireland nearly eleven years. Were it in our power to furnish a similar statement in regard to France, Spain, and India, the same result would be obtained, proving that the more productive the labour of a country, the smaller is the *proportion* which the value of capital bears to the value of labour. Hence the difference in the *proportion* claimed by the owner for its use.

We now see the error that would arise out of a comparison of the extent to which labour is aided by capital, based upon such estimates of the value of its machinery as that to which we have referred. Every circumstance that limits the field for the employment of capital, increases the *money price* of investments yielding revenue, and thus real estate in England sells for thirty years' purchase, whereas an American capitalist would value it at not more than eighteen, or at most twenty years' purchase. In like manner every circumstance that interferes with the growth of capital, or with the free employment of labour, raises the *labour price* of investments yielding revenue. The English labourer, prevented by restrictions upon the exchanges with foreign nations from employing himself in manufactures, would give a large quantity of labour for a piece of land yielding a certain income, and the French labourer would give twice as much as the Englishman, while the labourer in the United States would not give more than three fourths as much.

The product of Scotland cannot be estimated at more than 36 millions of pounds sterling, or about 180 millions of dollars. The number of labourers now employed would, at the usual rate of wages in the United States, absorb about 165 millions, leaving but 15 millions for the owners of capital. Their share would be burthened with its proportion of the national debt, exceeding 60 millions of pounds, requiring about 2 millions, or nearly 10 millions of dollars, to pay its interest. The value of the landed property, to a body of American capitalists and labourers, would thus be reduced very low indeed.

The whole product of Ireland being less than one half as much as is, in the United States, required for the wages of a similar number of labourers, the landed estate could have no value to

\* Ante, page 103.

the American capitalist, under existing circumstances. If offered to the labourers themselves, as a free gift, subject to all the disturbances that have, in time past, prevented the accumulation of capital and improvement of the land, it would not be worth their acceptance. Were it granted to them with the right of establishing such institutions as would secure to every man the enjoyment of his rights, the security of property, the entire freedom of action, and of trade, and cheap government, they would speedily give it value, and it would at the end of a very moderate period yield an income of 5 per cent., upon an amount much larger than its present estimate. It might, and would, be made the garden of the world.

The total production of France is stated to be 8,000 millions of francs, or about 1,500 millions of dollars; divided among 32 millions of people. The *wages* of a similar number of persons in the United States would not be less than 2,200 millions of dollars. It follows, that if the whole were divided, reserving nothing to the owner of landed, or other, capital, the American labourer could not live as he is accustomed to do, and that, as in Ireland, the property of all the lands and houses of France would not be worth the acceptance of an equal number of the common labourers of the United States, *under existing circumstances*. If they were to be always at war—always burthened with immense armies—always fettered with restrictions upon every species of trade—if they were to know that such were to be the drains upon them, that there could be no accumulation of capital—that the necessary consequence of such a state of things was to be distress, constantly prompting to revolution, in hopes of a change for the better—that with all the expensive machinery of government, there was very imperfect security of person and property—what inducements could they have to accept the ownership of the whole kingdom? The labourer would not accept it, if he were to have the whole proceeds for wages, and the property could have, in the estimation of the capitalist of the United States, *no exchangeable value whatever*. With a different course of policy—with peace—security—freedom from restraint—and cheap government, production would increase—wages would rise—the revenue from landed and other property would be increased, and it would

gradually obtain a real value, equal to the ideal one now attached to it, arising out of the power of taking from the labourer a large proportion of the product of his exertions.

Throughout the world the result of an examination will be found to be the same. In India, the property of the great land owner, the Company, could have, under existing circumstances, no value to the English capitalist. The proprietor requires a large portion of the proceeds from the cultivator, and expends nothing in the construction of roads. The latter is unable to make improvements, and the utmost that he can hope for is sufficient to support life. To the Company it has no value, because all that is received from the occupants is swallowed up in the expenses of maintaining immense armies, to preserve order in a country, the natives of which, with permission to enjoy the fruits of their labour, would, perhaps, be the most quiet in the world. An equal number of French labourers would find the gift of all India fatal to their comfort, if their productive powers were limited as those of the people of that country now are. *They would starve, while consuming the whole proceeds.*

Were the landed property of Poland offered to the people of France, subject to the present system, which almost forbids the progress of improvement, it would not be worth their acceptance, while the labourers of England would find the whole soil, buildings, and other improvements of France, totally valueless, under a system which prevents the labourer from making much more than a franc per day.\*

In Poland, land yields but three or four times the seed, a product not sufficient to enable the owner to live as well as the tenant may do in the United States. Of this, the cultivator is *compelled* to give a portion to the owner of the land, the value of whose estate depends upon the quantity that he can extort from his slave. Were that slave permitted to retain the whole amount, he could not still live as do the labourers of England and the United States.

The existence of slavery in the early periods of almost all

\* M. Dupin estimates the average wages of France, including mechanics, at about 26 cents, or a little more than one and one-third francs per day.

nations, is in decided opposition to the idea of value in land. It exists where population is small and land abundant, and of course where the most fertile soils only need to be cultivated. It is but a form of obtaining rent, and is resorted to because no man will pay for the use of land when he can have as much as he pleases in full occupancy, unless capital has been employed to give value to it. When capital increases, it acquires a real value from the expenditure thereon, and the necessity for holding men in slavery ceases, because they will pay, voluntarily, a larger amount of rent than can be obtained from them while in bondage.

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Before entering upon this examination, we stated that if value in land, as indicated by the payment of rent, resulted from the monopoly, by the proprietors, of the superior soils, and from the necessity for having recourse, as population increased, to inferior soils, yielding a constantly diminishing return to labour, the effect would be—

I. That with the extension of cultivation there would be a constant diminution in the return to labour and capital, marked by a reduction of both wages and profits.

II. That the property first appropriated must have a constant tendency to attain a value exceeding that of the labour that has been expended upon it, and

III. That there must be a constant increase in the proportion of the capitalist, and diminution in that of the labourer.

On the contrary, that if its value were due, like that of all other commodities or machines, solely to the labour expended, it must be subject to the laws by which all other capital is governed, and

I. That with the extension of cultivation there must be a constant increase in the return to labour and capital, marked by an increase in both wages and profits.

II. That property in land must have a constant tendency to diminution in its power to command labour in exchange, and

III. That there must be a constant diminution in the proportion of the capitalist, and increase in that of the labourer.

We trust that the reader is satisfied that the latter view is the correct one—that capital in land differs in no respect from

that invested in other machines—that rent is only *interest* for capital invested—and that the value of all landed property is due, like that of all other gifts of nature existing in unlimited quantity, solely to the labour employed in its appropriation and improvement.

We possess no means of measuring the extent of the powers of the earth. It produces now vastly more than it did half a century since, and the close of the present century will see it rendered greatly more productive than at present. When we cast our eyes over the surface of the globe, and see how large is the portion that is yet *totally unoccupied*—how large a portion of that which appears to be occupied is really so, only to the extent that its powers can be reached with the worst machinery, and that the chief part of those powers is, as yet, unappropriated,\*—that twice, or thrice, ten, or twenty, or fifty times the population could be supported, even with our present agricultural knowledge, on land that is now partially cultivated—and that there is a great extension of production as science is brought to the aid of the agriculturist, we cannot hesitate to admit that the productive power of land exists in *measureless* quantity.

It is not necessary, however, to push this inquiry so far. It exists in quantity so great, that immense bodies of the most fertile soils, in various parts of the world, have no exchangeable value. Who, then, to use Mr. Ricardo's expression, "would

\* *Those unappropriated powers are equivalent to unappropriated land.*—If a man own land now producing twenty bushels to the acre, and he know that it will produce thirty bushels with the aid of capital in the form of manure, he will not pay rent to his neighbour for more, when that unappropriated power belonging to himself is really more valuable, and can be had without cost. He will not pay rent for the right of working a seam of coal, when he has one on his own land, thirty or forty feet below his present working, that is as yet unappropriated. No man who had a mill, in which he had only ten thousand spindles, would be so absurd as to hire a new one, to put in five thousand additional ones, if his present one were sufficiently large for the purpose. *No man pays, or will pay, rent for land, while unappropriated land remains; but he will, and he does, pay for the use of capital employed in making it productive.* No man will pay for water while unappropriated water remains, but he will gladly pay interest upon the expenditure necessary for bringing it to the place at which he desires to use it. He will not pay rent for an adjoining lot, to obtain the quantity of accommodation that he may have, at less expense, by adding another story to his house.

pay for the use of land when there was an abundant quantity not yet appropriated?" Who would pay ten, or twenty, dollars for land in Illinois or Alabama, when thousands of acres could be had in Texas without cost? It would appear extraordinary that men should pay fifty or a hundred dollars for that near New York or Philadelphia—for little more than a bed of sand in New Jersey—when they could have the most fertile land elsewhere without charge; yet it is done hourly, and by those who have sufficient common sense to manage their affairs. They do it on the same principle that they pay for water, ice, and coal. It is cheaper for them to pay for the use of capital employed in bringing water and coal to them, than to go and seek them where they may be had gratis. So they deem it more advantageous to pay the owner of land near to a great city, for the use of capital invested for its benefit, and thus have a market near the place of production, than to remove to places more remote, where, from the want of previously invested capital, in the form of roads, towns, or manufactories, a large portion of the product will be swallowed up in transportation.

## CHAPTER VIII.

## OBJECTIONS.

WE propose to notice here some of the objections that may perhaps be made to the views which we have submitted for the consideration of the reader.

The natives of Ireland seek the shores of the United States in quest of wages, at the same moment that the people of the latter leave the Atlantic States to seek in the west for other lands, and those of Virginia and North Carolina migrate with their slaves to the fertile soils of Alabama and Mississippi. It may be asked, *why should these migrations take place, if there be no value in land?* Why should the people of Massachusetts go to Illinois—or those of Maryland seek the borders of the Gulf of Mexico? They have land at home, and unless there were some intrinsic value in that they seek, would they not remain there? The Irishman seeks in the United States the high wages that arise out of the rapid growth of capital, consequent upon the perfect security and freedom that are enjoyed. If he wish to go upon a farm, he can obtain high wages as a labourer, or if he desire to rent one, he can have it by paying the owner a small proportion of the product, as interest upon the capital that has been expended in its improvement. He finds all the aids to labour that are necessary to enable him to obtain large wages. It is not improbable that his predecessor on the same farm may be at the same moment on his way to Illinois, to seek there for a more favourable location than that which he had left. He possesses a degree of enterprise that is not participated in by all. Many, indeed most, of his neighbours prefer remaining at home to cultivate the acres they inherited, thus diminishing the competition with those who are willing to remove. He knows that lands in the west sell daily at prices that are very low, when compared with the immense advantages they possess, arising out of the vast amount of capital expended upon and near them, and in the formation of roads

and canals leading to them. He knows that such expenditures must continue, and that they must increase with immense rapidity, and that every dollar so expended must tend to increase the value of any property he may acquire. He must, however, submit to many privations, the compensation for which is to be found in the probable growth of the value of his property. The return is large, and it is so for the same reason that the merchant who engages in a trade attended with unusual risks, is enabled to claim a larger proportion of the proceeds of the voyage, than his neighbour who trades with a neighbouring port can do.

The people of the slave States generally change their places on the same principle that, in former times, stage owners changed their horses. It was deemed most profitable to get as much as possible out of them in the shortest time, and then replace them with new ones. Such has been the system of cultivation pursued in those states. The lands have been worked hard, while nothing has been returned, and they are generally worn out. In this state of things, the opening of a new country, well adapted for the cultivation of those products in which slave labour is usually employed, holds out to them the prospect of making wages, which can no longer be obtained from their old and impoverished lands. They transfer themselves as speedily as possible to the new country. Towns arise, and capital is invested in the making of roads—in the building of steamboats—in the construction of rail roads, and in all other ways tending to render valuable the labour employed. Had a different system of cultivation been pursued, by which the lands of Virginia, and of North and South Carolina, would have been kept in order by manure—had the owners not consumed so large a portion of their products—had their capital increased, and had it been applied to the formation of roads and canals,—they might now have a high exchangeable value, perhaps much higher than the new lands to which their owners remove; instead of which, there have been numerous cases in which they have abandoned their plantations, to be occupied by the next comer, for the purpose of transferring themselves to Alabama, or Mississippi.

A person who sees before him two fields, possessing equal



"advantages of situation,"—one of which yields a large rent, while the other is lying waste,—can with difficulty satisfy himself that the value of the first is not due to its superiority of soil. He asks, "*If difference of fertility be not the cause of the difference of value, why is not one as valuable as the other.*" We do not contend that equal quantities of labour will give equal value to all land, but only that all which exists is due to the labour applied to its improvement. When the first was taken into cultivation, it was waste, and of no value. Labour has rendered it valuable. The field that is waste may not be susceptible of yielding, at any time, such return as will induce its appropriation, or cultivation, but it may lie waste only *because its qualities are different*, and require a larger application of capital. It may be a bed of clay, excellent for making bricks, but bad for cultivation; or it may be a mass of granite, well adapted for building, but which would yield nothing to the agriculturist; or it may be a great coal deposit, admirably adapted for fuel, but unlikely to produce wheat or rye; or it may be iron or copper ore. Under present circumstances, the man who would attempt to make bricks, or to get out the granite, or the coal, or the ore, would be ruined, because the cost of transportation would absorb the whole, and he could not make wages; or perhaps he could make wages, only on being allowed to work the land rent free. A further amount of capital applied to the improvement of the roads, will perhaps enable it to yield a small rent, because the market for its products will be somewhat extended. A few years afterwards a canal, or a rail road, may be made to this land, and *the inferior property, the bed of granite, or of coal, that had been totally unproductive, may become worth, perhaps, twenty or fifty times as much as the superior land immediately adjoining it*, paying a large rent for the use of the interest it has acquired in that canal or rail road, and in the other improvements accumulated for centuries that it has been unproductive, and not for the powers of the soil, because they can be then no greater than they were fifty years before. We have daily evidence that such is the result of the application of capital. Beds of limestone, that a few years since were comparatively valueless, now yield large revenues. In other places are masses of gra-

nite that were unlikely ever to come into use, and of which one hundred acres would have been given for a single acre of land susceptible of cultivation; whereas, a single acre now yields more than one hundred acres of land in its vicinity, of the highest degree of fertility. Thus the different soils change places, and that which was superior becomes inferior, while that which was entirely worthless takes its place at the head of the most productive.

*It may be said that labour is not invariably a cause of value.* It is, however, never applied except with the view to give it, as no man will work unless he believes that he shall obtain a reward for so doing, which he cannot do unless his labour be productive of some valuable result.

That it is sometimes greatly misdirected, there can be no doubt, as, for instance, in the case of the large armies of Europe. So far as they are not required for the security of person and property, their labour is entirely lost to the community, and no value is produced. It is sometimes applied without judgment, as in many cases in which, for want of geological knowledge, large sums have been expended in searching for mines in places where they could not exist. Sometimes, when directed by the best judgment, it fails of producing any valuable result. In other cases there are values that *appear* not to be caused by labour. Thus a man purchases a farm, upon which he unexpectedly discovers a copper, or a gold, or a lead mine. He had paid what was supposed to be its value when he purchased it as a farm, but that is now, perhaps, quadrupled or quintupled. Another sinks a shaft and strikes a vein of coal at a place where it was scarcely supposed to exist, and his fortune is made. A peculiar flavour in the wine of Johannisberg, or that of Chateau Margaux, or Constantia, gives high value to it, and consequently secures a large income to the proprietor. If we were to trace the value of Chateau Margaux, we should, perhaps, find that it has steadily continued to increase with the growth of capital and application of labour. We should *certainly* find that its present value was not equal to that of the labour that had been expended for its advantage. The unexpected discovery of a vein of coal would give no value to land unless possessing advantages of situation—*i. e.* unless capital had been expended

to give it facilities of getting the produce to market. It is a prize to the finder, but its value arises from the labour of his predecessors.

If labour be sometimes, as we have shown, unproductively applied, the product sometimes greatly exceeds what would be a proper remuneration for it. A. may spend a large sum of money in seeking for a vein of ore supposed to pass through his estate, and B. may, without cost, discover that it passes, most unexpectedly, through his property. The examination of A., by which it was traced to the line of B., may be the cause of the transfer of value from A. to B. Such cases are no evidence that labour is not the cause of value, but they are evidences that there is a difference in its reward. If we were to assert that idleness and dissipation led to poverty, the proposition would command universal assent, and it would be deemed absurd in any one to state that his neighbour had been both idle and dissipated, but that he had found a chest of gold in the cellar of his house, and therefore the assertion could not be correct. If we were to assert that the value of oil brought home by the numerous whale ships, was due to the labour and capital employed in obtaining it, no one would hesitate to assent to it, yet the objection might be made that a vessel had just returned after a cruise of only a few weeks, having unexpectedly fallen in with a shoal of whales, and obtained, in that short time, the cargo usually requiring 12 or 18 months. Against this, we should put the vessel that is compelled to be absent double the usual time to obtain her cargo. The variations that we have referred to as occurring in the return for labour applied to land, take place in every other pursuit of human life—in every operation to which either labour, or capital, is applied. Two men ship cargoes of flour to the same port in the West Indies, on the same day. One has a fair wind and makes a short passage—finds the market bare and makes a large profit, while the other arrives in company with half a dozen other vessels from different ports, and with difficulty obtains vent for his cargo. Here the labour applied is the same, but how different is the result? It would be as proper in this case to attribute the difference to that natural agent, the wind, as in the other case to the earth. If two men went out hunt-

ing, and at the end of the season one came home with a load of skins, while the other had totally failed, the difference of result would not be ascribed to any natural agent; but if the same two men had chosen two pieces of land, and the result had been similar, the natural agent would have had all the credit. Two farmers occupying the same quantity and quality of land have materially different crops. One of them has too much rain, and his grain is spoiled, while the other has fine weather, and realizes for his labour twice the reward of the other. The next year a different state of things arises: the first has fine weather, and makes a good crop, while the second has an indifferent one. All that is obtained, in both cases, is due to the labour employed, but the reward is different. No man would pay a higher rent for one farm than for the other, because in any particular year it chanced to yield a better crop. If labour were invariably attended with a large return, its value in commodities would rise, but being liable to failure, it has a value fixed by an estimate of its probable average product. Every man who sends a vessel to sea, knows that there is a certain risk of loss, against which he endeavours to secure himself by insurance; and every one who accepts a fixed salary in lieu of a share of profits, knows that, with the chance of making large profits, there is a certain amount of risk that there may be none whatever.

Attributing the value of commodities chiefly to limitation of supply, Mr. Senior says:

‘The fact that that circumstance [labour] is not essential to value, will be demonstrated if we can suppose a case in which value could exist without it. If, while carelessly lounging along the sea-shore, I were to pick up a pearl, would it have no value? Mr. M'Culloch would answer that the value of the pearl was the result of my appropriative industry in stooping to pick it up. Suppose then that I met with it while eating an oyster? Supposing that aerolithes consisted of gold, would they have no value? Or, suppose that meteoric iron were the only form in which that metal were produced, would not the iron supplied from heaven be far more valuable than any existing metal? It is true that, wherever there is utility, the addition of labour as necessary to production constitutes value,

'because, the supply of labour being limited, it follows that the object, to the supply of which it is necessary, is by that very necessity limited in supply. But any other cause limiting supply is just as efficient a cause of value in an article as the necessity of labour to its production. And, in fact, if all the commodities used by man were supplied by nature without any intervention whatever of human labour, but were supplied in precisely the same quantities as they now are, there is no reason to suppose either that they would cease to be valuable, or would exchange in any other than their present proportions.\*'

Pearls may be found by those who do not seek them, and meteoric iron may be a gift to those who little anticipate its reception, while others may seek for pearls, or dig for iron, without profitable results. These are accidents which do not, in the slightest degree, militate against the assertion that all value is the result of labour. Nine hundred and ninety-nine out of every one thousand parts of those annually created are so, and the exceptions are too slight to be deserving of consideration. They are just sufficiently numerous to prove *the rule*.

In the case last supposed, "of all commodities being supplied by nature without the intervention of human labour," the quantity thereof required to appropriate and to transport them where required, would be the measure of exchangeable value, which *would vary greatly* from what it is at present. Fish are now supplied by nature, and their whole value consists in the labour of appropriation and transportation. The fisherman now labours during the whole year, to secure for himself and family the necessary supplies of food and clothing. *If wheat, cotton, and wool were supplied by nature, and without the care of man, in their present abundance, the labour of appropriating a quantity sufficient for a family might be accomplished at the place of production in a single week.* Would the fisherman exchange the product of a year's labour for that of a single week of the farmer? Would the sailor spend his year in pursuing the whale, to exchange the product for that which he could obtain in a single week by remaining at home? If nature furnished tea, and sugar, and coffee, in such abundance that their whole

\* Outlines, p. 133.

cost was the labour of appropriation, what should induce the employment of the time necessary to transport them to the United States or Great Britain, if a year's labour would produce no more food, or clothing, than could be had at home by one twentieth, or perhaps one fiftieth, part of the labour? If every article consumed by man were furnished by nature, in its present quantities, without the smallest exertion on his part, their respective values would be measured by the cost of producing them *at the places at which they were required*, precisely as at present, but with a material alteration in their *relative* values. Fish and oil would rise, and wheat and cotton would fall, because more readily appropriated.

Every agent of production, earth, air, water, heat, steam, &c., is practically unlimited in supply. Every man may have as much as he thinks fit to appropriate. Every commodity used by man is, in like manner, practically unlimited in quantity, and may be increased to any extent by the application of labour. *Their value is, in all cases, measured by the quantity and quality of labour required for their production to the extent required to meet the demands of those who possess other commodities to offer in exchange for them.*

## CHAPTER IX.

## RESULTS.

WE will now proceed to sum up the results at which we have arrived. They are

## OF VALUE.

- I. That all value is exchangeable.
- II. That labour is the sole cause of value.
- III. That the value of commodities, *at the time of production*, is measured by the *quantity and quality* of labour required therefor.

IV. That with every improvement in the *quality* of labour there is a diminution in the *quantity* thereof required for the production of any given quantity of commodities.

V. That the value of existing capital cannot exceed that of the quantity and quality of labour required for its *reproduction*, and that the *quantity* of labour for which it will exchange tends to fall with every improvement in the *quality* thereof.

## OF LABOUR.

VI. That labour, when aided by capital, becomes more productive, and is thus improved in its quality.

VII. That every improvement in the quality of labour is attended by an increased facility of accumulation.

VIII. That this increased power of accumulating capital tends to lessen the value, in labour, of that already existing, and to diminish the *proportion* of the product of labour that can be demanded in return for permitting it to be used.

IX. That the *proportion* that can be claimed by those who transport its products, and by the storekeeper, who exchanges them for the commodities required in return, is, in like manner, in a constant course of reduction, as labour becomes more productive.

X. That the labourer is thus enabled to retain a constantly increasing *proportion* of the commodities produced.



XI. That where population and capital are small, and where the superior soils, only, are cultivated, labour is unproductive: that the proportion claimed by the land owner is large, the cost of transportation is great, and the proportion taken by the storekeeper is so, while that which is retained by the labourer is small. He is, therefore, poor and miserable.

XII. That as population and capital increase, and as cultivation is extended over the inferior soils, labour becomes more productive, and there is a constant diminution in the proportion claimed by the owner of capital, whether applied to the improvement of land, or to the transportation, or exchange, of commodities, accompanied by a constant increase in the proportion retained by the labourer, and a constant improvement in his condition.

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OF CAPITAL.

XIII. That the power to demand rent arises from labour applied to the improvement of land, and that rent and interest are alike profits of capital.

XIV. That the aid of capital tends to render labour more productive, thus improving its quality.

XV. That the further acquisition of capital is facilitated by every improvement in the quality of labour.

XVI. That this increased facility of accumulation is attended by a diminution in the labour value of all previously existing capital.

XVII. That it is also attended with a diminution in the proportion of the product of labour that can be claimed for permitting capital to be used.

XVIII. That labour is, by its improvement of quality, rendered so much more productive, that this *diminution in the proportion* claimed by the capitalist, is attended by *an increase in the quantity of commodities* obtained in return for the use of any given amount of capital.

XIX. That where population and capital are small, and where the superior soils, only, are cultivated, further capital is accumulated with difficulty, and its owner takes a *large proportion* of the product of labour in return for permitting its use; but that that large proportion yields but a *small amount of commo-*



ties, and thus a large quantity of labour is required to secure a given amount of income.

XX. That as population and capital increase, and as cultivation is extended over the inferior soils, further capital is accumulated with greater facility, and the *proportion* of the capitalist is diminished; but that that smaller proportion yields him a *constantly increasing quantity of commodities*, and thus a smaller amount of labour is required to secure a given amount of income.

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XXI. That thus with the increase of population and of capital, and with the extension of cultivation, there is a steady improvement in the condition of both labourer and capitalist. That the former, while enjoying a constantly increasing measure of the comforts and conveniences of life, experiences a constantly increasing facility in becoming himself a capitalist, to enjoy an equally constantly increasing measure of the conveniences and luxuries of life, in return for the industry, prudence, and integrity which enabled him to become so.

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Such we believe to be the natural laws, regulating the production and distribution of wealth, that may be deduced from the experience of the world for hundreds, and thousands, of years. That they are so we feel assured, because they are, like all the other laws of nature, *simple, and therefore likely to be universally true*. They have another characteristic of nature, in the perfect harmony of interests indicated by them. We find those of the landlord and tenant\*—of the capitalist and the labourer

\* Even where the interests of these parties appear opposed, their real interests are the same. The owners of land in England conceive themselves to be benefited by the corn laws, but their effect has been to cause them to derive but three, or three and a half per cent. from the capital they have invested, when they ought to have had four, or five per cent. Production has been diminished, and they have suffered therefrom. Had trade been free, much of the capital applied to the improvement of lands that now yield but a small return to labour, would have been applied to the extension of manufactures, by which increased value would have been given to town lots, and to lands in and near those towns, as well as to those more distant.

The owners of capital applied to many branches of manufacture in the United States, have never derived advantage from the tariff. They have been induced to invest their means in that way, and by the aid of restrictive laws, have ob-

—of the planter and his slave—to be the same, and that it is impossible to adopt any measure that shall injure the one without equal injury to the other. We find rights and duties in harmony with each other.

If we reject these laws, and resort to *appropriation, and to monopoly*, we find the landlord and the tenant—the capitalist and the labourer—the planter and the slave—opposed in interest. We find that what is supposed to benefit the one must injure the other,\* and that it is impossible for them to meet on any common ground. We find a discord that does not exist elsewhere in the laws which govern the universe, but which must exist in any system that is based upon the supposition that it is one of the laws of our being,

“That they may take who have the power,  
And those may keep who can.”

tained a smaller amount of commodities than they would have done had those laws never existed.

Were the corn laws *suddenly* repealed, the effect would be vast injury, but were importation permitted at a duty that would not cause any very great immediate change of price, but subject to an annual reduction, until brought as near to free trade as regard to the revenue would permit, the proprietors of land would find that the interests of the consumers were in perfect harmony with their own, and that they would enjoy increased profits of capital, while the labourers would have increased wages. To accomplish this end, however, reduction must be gradual. *Violent changes are always to be deprecated.*

\* “The interest of the landlord is always opposed to that of the consumer and manufacturer. Corn can be permanently at an advanced price, only because additional labour is necessary to produce it; because its cost of production is increased. The same cause invariably raises rent; it is, therefore, for the interest of the landlord that the cost attending the production of corn should be increased. This, however, is not the interest of the consumer; to him it is desirable that corn should be low relatively to money and commodities, for it is always with commodities, or money, that corn is purchased. Neither is it the interest of the manufacturer that corn should be at a high price, for the high price of corn will occasion high wages, but will not raise the price of his commodity. Not only then must more of his commodity, or, which comes to the same thing, the value of more of his commodity, be given in exchange for the corn which he himself consumes, but more must be given, or the value of more, for wages to his workmen, for which he will receive no remuneration. *All classes, therefore, except the landlords, will be injured by the increase in the price of corn.* The dealings between the landlord and the public are not like dealings in trade, whereby both the seller and buyer may equally be said to gain, but the loss is wholly

on one side, and the gain wholly on the other; and if corn could, by importation, be procured cheaper, the loss in consequence of not importing is far greater on one side, than the gain is on the other."—*Ricardo*.

"All other things remaining the same, it is the labourer's interest that the rate of profit should be *universally low*. \* \* \* \* In general the labourer is better paid, or, in other words, receives a larger amount of commodities, when profits are high, that is when he receives a small share, than when profits are low, that is, when he receives a large share of the value of what he produces."\*

Mr. Senior is of opinion, that "a high rate of profit is generally found to accompany productiveness of labour," but still he thinks it to be the interest of the labourer that profits should be "universally low." The interests of the labourer and capitalist are therefore in direct opposition to each other. We have shown that when labour is unproductive, the capitalist has a large share, and that as it becomes productive, that share is in a constant course of reduction. Did we deem further evidence necessary, we would give a view of profits and wages during the late war, when production was diminished by the waste of capital—when interest and rents were high—when the capitalist's proportion was large—when the labourer found it difficult to procure the necessities of life—and when pauperism increased to such an extent as to require a contribution of more than forty millions of dollars, per annum, to meet the demands of those who were unable to find employment at such wages as would yield them the means of subsistence.

\* Senior. *Outlines*, p. 211.

## CHAPTER X.

## FLUCTUATIONS OF PRICE.

IF the views we have thus submitted be correct, we may now have some guide in estimating the probable permanence of the changes that take place in *the price of landed property*, which frequently rises far above, and then falls below its real value.

We have seen that the man who has obtained a plough, or a wagon, at the expense of great labour, finds its exchangeable value reduced, when, by improvements in machinery, new ploughs, or wagons, can be obtained at diminished cost. He has accumulated a capital to which he attached a certain value, but it is now worth no more than the price of the labour necessary for its reproduction. He purchases new ploughs, which, in consequence of their improved construction, enable him to perform a larger amount of work, and the old ones are, by degrees, thrown out of use. He has thus added to his capital by the labour of the present year, but that addition is accompanied by a great fall in the value of that which he previously possessed.

Another man owns a cotton mill that had been erected at great cost. If he wish now to build a new one, he can have it done much more cheaply, in consequence of the increased capital by which labour is aided. The first, even if equally good, would now exchange for much less labour than had been required to produce it. It is not, however, equally good, for the improved machinery of the day renders it almost valueless, and in the course of a short time it will be abandoned.

Another man has a farm which has cost him great labour to improve. Improvements in the means of transportation enable other lands to be brought into a condition to yield the same return to labour, and the value of his farm cannot exceed the cost of obtaining one equally good elsewhere. If the same

amount of labour on newer lands will yield him much larger returns, he may abandon his farm and its improvements, and transfer himself to another quarter, as has been done repeatedly in some of the Southern states. Even when he is not induced to do this, he may sell his property at a reduced price. We thus see that the creation of new capital is accompanied by a constant reduction of the value of that previously existing, which is the cause that the actual value of the whole quantity is by no means equal to the cost of production.

Such having been the case in time past, it follows that, as nature works always in the same direction, such must be the case at the present time, and that the actual *increase* in the value of landed property must be less than the amount of labour expended in its improvement. If the whole annual product of the United States be 1,500 millions of dollars, it may, we think, be assumed that not more than one tenth of that amount can be applied to the building of houses; to the construction of canals, rail roads, and turnpikes; to the clearing of farms, their enclosure, and the various other improvements necessary to give value to land; and that the actual annual increase of value must fall short of that sum.

Expenditure for purposes of this description can come only out of that portion of wages and profits not needed for the purchase of commodities for actual consumption, as will be evident on an examination of the operations of an individual. If a man be engaged in a business that fully occupies his present capital, but is yielding him enough to pay his expenses and leave a surplus of \$ 5,000 per annum, and he commence the building of a house that requires \$ 10,000 per annum, he will soon find himself compelled to limit his business, or to borrow capital from his neighbours. If, however, he find that those neighbours have all been engaged in the same way, and that all have been constructing rail roads, or canals, or building houses, and that they not only have occasion for all their own means, but that they want more, the necessary consequence is that he must stop his house, or diminish his business—or become bankrupt. The stoppage of his building is the least disadvantageous, and accordingly he allows it to remain unfinished, and his neighbours do the same with theirs; and after a time

a further accumulation of capital enables them gradually to resume their labours and to complete their works.

Here we have the history of much of the operations of Great Britain and the United States. In both there is an occasional mania for speculation in property. Lands and lots rise—houses are built—rail roads and canals are projected and partially executed—until at length each man finds that he has undertaken what he cannot carry through, without aid, and that those around him are in the same situation.\* His house is arrested in its progress, as are the rail roads and canals of his neighbours—the price of lots and houses falls—new houses are no longer built—rail roads and canals cease to be projected, and gradually a healthful state of things arises. Those who have had the power to retain their property have lost the interest upon their investments, as well as the profit that might have been made by the use of their capital in business, but those whose means have not enabled them to wait, have been compelled to sell their houses and their stocks at heavy loss, and are ruined. Such has been the history of all great speculations in real estate and improvements in aid thereof, and such must it continue to be, where the rise in the value of property is general and great.

Local increase may take place to a considerable extent, and be permanent, but, if sudden, it must always be attended with a diminution in the rate of increase, or in the actual value, elsewhere. The construction of rail roads and canals to a great city, increases rapidly the value of property therein by transferring to it the trade heretofore done in the small towns, whose progress is thereby arrested. Lands in Illinois may rise rapidly in value, but *they rise in the ratio of capital invested for their improvement*. If rail roads and canals be made for their use, so that they offer such inducements to emigration as to cause the farmers of New England, New York, and Penn-

\* This is equally true in regard to the creation of banks. If all the world undertake to lend money, i. e. to put capital into bank stock for the purposes of discount, it will soon be found that the holders thereof cannot pay the instalments as they are called in. They then desire to sell the half-paid-up stock, as the other desires to sell his building, but there are no purchasers when every man is called upon for his share. Bank stock falls; to rise again when the increased trade of the country finds employment for the capital so invested.

sylvania, to abandon or to sell their farms, the rise there is accompanied by a fall elsewhere, owing to the withdrawal of the capital to Illinois.\* The increased value of lands in Alabama,

\* This effect *must* be produced when improvements are pushed to an unreasonable extent. When roads and canals are made gradually, and in accordance with the growth of capital and of population, each step is productive of advantage and prepares for another and greater one; but when they are pushed forward too rapidly, they tend to bring into market a larger quantity of land than is requisite, the consequence of which must be a fall in the value of all. When an owner of property near a city expends his means in making streets and building houses in advance of population, the value produced is far short of the cost, because they will not yield interest upon the investment. By offering them at low rents, he induces persons to occupy them who would otherwise have paid rent to the owners of those previously built. Houses become superabundant, and rents fall. He thus injures both himself and his neighbours by the waste of his own capital, whereas, he might have applied it in such manner as would have benefited the whole community. So long, however, as improvements by roads and canals are left to *individual enterprise*, no possible disadvantage can arise from permitting the owners of capital to judge for themselves the benefit likely to result from any investment, and there is no more propriety in the government undertaking to judge for them, than there would be if they proposed to invest the same quantity in making hats, or shoes. It is only when *governments* undertake to make such improvements that any material waste of capital, or disadvantage of any kind, is to be apprehended. They adopt the idea that it is not necessary that investments should pay interest, the consequence of which is, that vast sums are expended which yield no result whatever. Had the canal and rail road improvements made by the State of Pennsylvania been intrusted to individuals, all that is really valuable of them would have been made with less than one half of the expenditure—all would have yielded profit—and, ultimately, a more extensive and more beneficial system might have been completed with twelve millions of dollars, than that which now exists, obtained at the cost of twenty-three millions. If the city of London, or that of Philadelphia, were to undertake to extend all the pavements several miles beyond their present limits, the owners of property might, with great justice, complain that they were taxed for undertakings that not only would not benefit, but that would greatly injure, them, by giving, at their expense, advantages to distant land, and promoting the dispersion of the inhabitants. Precisely such is the operation of many of the rail roads and canals that have been made in the United States. They promote the dispersion of the people in the same manner as the colonization scheme of Great Britain. The injury is comparatively small, because the rapid growth of population speedily fills up the vacancy that is created, but the growth of both population and capital would be more rapid under a different system. Colonization, as carried on in the United States, is generally a healthful operation, but every attempt to force it is certain to be productive of injury. Whenever the persons using roads, or canals, or houses, are willing to pay interest upon their cost, it may be presumed that the benefit derived therefrom is equal thereto, but when they are not willing to do so, part, at least, of the capital is wasted.



and Mississippi, has been great, but it has been accompanied by a corresponding decrease in those of South Carolina, North Carolina, and Virginia, the proprietors of which have sold their plantations at reduced prices, and in many cases have abandoned them. Such would be the case in many parts of New England, but that the investment of capital in manufactures gives to the land the advantage of a market at home, more advantageous than that which the lands of superior fertility in the West derive from their rail roads, and thus makes amends for deficiency of quality.

The assessed value of the real estate in the United States in 1799, was 613 millions of dollars. In 1814-15, it rose to 1,631 millions.\* After that time it fell considerably, and in 1818 it would not probably have been more than 1,300 millions. In 1834, the States of New York and Ohio were assessed at 461 millions. Those states embrace one fifth of the whole population, and probably more than one fifth of the value of property. Assuming, however, that it is one fifth, we obtain, as the *assessed* value of the lands and houses in the United States, 2,300 millions, being 1,000 millions more than in 1818. If we add to this 1,000 millions, two thirds, to obtain the real value, we shall have 1,667 millions, being *an average increase of real value*, of about 100 millions per annum. If such was the growth of 16 years of prosperity, how is it possible that a single year should produce so great an increase, and that property in New York, the *real value* of which did not exceed 600 millions in 1834, should rise in 1835 to 700, and in 1836 to 900 millions?† Or, how is it possible that property in the United States, which in two centuries had risen only to 4,000 millions of real value, should rise in one or two years to 5,000, or probably 6,000 millions? It is not possible that such a rise should take place and be permanent, and we must therefore look for a fall. How far it will go, it is not possible now to say, but a fall must take place.‡

\* Pitkin's Statistics, p. 313.

† We have now before us a statement, drawn up by a gentleman possessing ample means of information, from which it would appear, that the *nominal* value of the real estate of New York, in 1836, could not have been less than 1200 millions.

‡ At the time of writing this chapter, property was still rising. The fall has commenced, and it must continue.



The value of the real estate of the Union tends to advance steadily with the labour and capital applied to its improvement, but *the annual increase is less than the annual expenditure for that purpose.\** If we suppose the amount that can be

\* If the most advantageous investment of capital in, or upon, land be attended with an increase of value short of the amount applied, what must be the effect of its application to *unprofitable* rail roads, canals, and other improvements? The construction of such works, where they will yield but a small return to the owners, is often defended upon the ground that they give great value to the land through which they pass. We find, however, that in no case is landed property worth what would be necessary for its reproduction, and therefore that the land, when thus improved, will not exchange for the quantity of labour expended in its production. Its owners could purchase an interest in property to which value has been already given by the expenditure of capital, at less than the cost of rendering their own so, as is done by the man who purchases land immediately beyond that now in cultivation, which derives advantage from the roads or canals previously made. *If the increase in the productiveness of labour, consequent upon the making of the road, were equal to the interest of the capital invested, the owners could afford to pay toll for its use, to the amount of that interest.* No man will build a house, unless he suppose that he will find some person to whom the use of the capital, thus applied, will be of sufficient advantage to induce him to pay interest on the amount expended. If he build it, and obtain only half the usual rate of interest, it is evident that one half of the capital, appropriated in some other manner, would have been productive of equal benefit to the person who used it in that form. If a manufacturer were urged to expend \$10,000 upon some improvement in his motive power, by which labour could be rendered more productive, he would inquire how much of the wages usually paid to his men would be saved thereby. If he found that they would allow him only three per cent. upon the capital, he would deem it more advantageous to apply it to the increase of the *quantity* of machines, rather than of their *quality*. By this mode of application, he might be enabled so to extend his operations, that, in a few years, he might make the other improvement with advantage. The saving from a few machines would not be sufficient to warrant the expenditure, but when the number was greatly increased, it would become his interest to make it. The extension of rail roads and canals *beyond proper limits*, absorbs a large amount of capital that might, with greater advantage, be employed in increasing the number of farms, or of manufactories, to be benefited thereby, the owners of which would then find it to their interest to pay a sufficient amount of toll to render productive the capital required.

When capital is worth five per cent., those who use it make wages, and as much more as pays the capitalist for his machines. If it be lent to a man who can only make wages and have a surplus of three per cent., it is obvious that it must be unprofitably applied. This is equally true in relation to all investments. Many of the rail roads, and canals, constructed in the United States, and in Great Britain, do not aid labour to a sufficient extent to enable those who use them to pay toll to the amount that is required to pay interest upon the cost. Such is

so applied to be equal to 150 millions of dollars, and we do not think it can much exceed that sum, the annual growth of value cannot be more than 100 millions, and our successors, twenty years hence, will probably estimate it at 6000 millions, being nearly the valuation of 1836. What is true, in this respect, in regard to the United States, is equally true in regard to all other countries. When, then, after a series of prosperous years, in which labour and capital have been fully and profitably employed, we see a rapid rise in the value of real estate, *we may be assured that it cannot be permanent, because the increase of real value can only arise out of the annual savings applied to its improvement, and cannot equal the amount so applied.*

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*The tendency of the price of capital, as marked by the rate of interest, is to fall.* As labour becomes more productive, the capitalist retains a constantly diminishing *proportion* of the amount that is lent, and of the commodities that he sells. Where the employment of capital has been restrained by legislative interferences, as in the case of England already referred to,\* there is a tendency to a *very gradual advance in the proportion* claimed by its owner, as those restrictions are removed, either by the gradual operation of the laws of nature, or by the repeal of restrictive laws; and such is, likewise, the case in the United States, as improvement in the means of manufacturing the various commodities protected by the tariff, places daily an increased portion of the products of the country above protection, and thus renders trade more free. The rise that can take place in Great Britain cannot much exceed one per cent., and in the United States it must be much less, because the restrictions have interfered *comparatively* little with the employment of capital. With this exception, no increase can possibly take

particularly the case with many of those made by the *state and general governments* of the Union—with the Caledonian canal made by the British government—with the canals of Ireland, and of France, made wholly or in part by the governments of those countries. If they would have yielded the usual rate of profit, they would have been constructed by individuals. The same capital, had it been left in the pockets of the producers, would have yielded the full rate of profit.

\* Ante, page 91.

place in the proportion of the capitalist, or rate of interest, that can be permanent. Wars may prevent accumulation, and render labour less productive; in which case, the rate of interest will rise, but so long as there is a constant increase in the productiveness of labour, so long must there be a diminution in the proportion of the capitalist, accompanied by an increase in the quantity of commodities that may be obtained in return for the use of any given amount of capital. *There can be no permanent increase in the rate of interest, or in the rate of advance of the trader, after their proportions shall have been settled under a system that allows every man to employ his means in such manner as he deems likely to yield him the largest return. When we see interest rising rapidly, or trade carried on at a high rate of profit, we may be assured that a reverse will take place, and that it will fall below the level, as it has risen above it. For the moment, the change is always attributed to the increased productiveness of capital, but were capital and labour really more productive, the proportion would fall, instead of rising.*

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Commodities of all descriptions frequently rise in price, while labour is stationary, so that the labourer obtains a diminished quantity. *The tendency is to a fall in the labour price, yielding to the labourer a constantly increasing quantity in return for a given amount of exertion. When, on the contrary, we see a rise in commodities generally, giving to the labourer a diminished return, we may feel assured that it is not to be permanent.* It may result from war, and endure for many years, as was the case in Great Britain, but the return to peace will see a fall in prices, so as to yield the labourer a larger, and constantly increasing, return. The labour price of commodities falls with increased, as it rises with decreased, production. We see this to be the case when the crop of grain, or of cotton, is small, and the laws which regulate the prices of those commodities, regulate those of all others.

The money price of all commodities tends to fall, because the improvements in the mode of producing all others are more rapid than in the production of gold and silver. When we see all commodities rise in price, we may be sure that they are not

valued in *money*, but in some representative thereof, and that when gold and silver came to be demanded for them, they will fall.

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The *money price of labour* would have fallen with the increased difficulty of procuring the precious metals, but for the substitution therefor of *credits* in the form of drafts, bank notes, &c., in most of the operations of the world. So long as that substitution maintains money and labour in their present ratio to each other, so long will the *average* price remain where it is, but if, at any time, the mines should fail to yield a sufficient supply to do so, and the power of substituting credit in its place should be diminished, the average price must fall. When credit is diminished and money is hoarded, prices fall. When credit is complete, and bills and drafts are substituted for specie, prices tend to rise. The maintenance of peace throughout the world—improvements in the facilities of transmission, by means of rail roads—and the establishment of confidence in bills and drafts, in the minds of the people of France, Germany, Italy, and Spain, would tend to diminish greatly the quantity of specie required, and would cause prices to rise, unless the consumption for other purposes should be equal to the quantity thus set free by the substitution of credits.

Confidence thus tends to increase the *average* quantity of money to be obtained by the labourer, and distrust to diminish it. We see no reason to doubt that there will be a constant increase in confidence,\* and in the facilities of transmission, that will maintain the present average money price of labour, while we see little reason to believe that the supply will be increased by the restoration of peace to Mexico and Peru. Should this occur, the mines would probably become more productive, the effect of which would be to increase the quantity of money obtained for any given quantity of labour.

Should the *average price* remain stationary, changes may still take place among nations, as we see them occur among

\* Confidence has been somewhat impaired recently, but it will speedily be restored, to become more extensive than at any former period. Interferences prevent, for a time, the operation of the laws of nature, but the latter must triumph in the end.

individuals. If the price paid to the maker of shoes be one dollar per pair, and the average product of labour be one pair, the average money price of labour must be one dollar. If, however, one person possess a machine that enables him to produce two pairs, he obtains two dollars per day for his labour, while his neighbour, who can make only half a pair, can earn but fifty cents. The one is above the average, as the other is below it. Such is the case among nations. The people of India and China are below the average, as those of Great Britain and the United States are above it. If the makers of shoes generally could obtain the use of similar machines, the productiveness of labour so employed would increase greatly, and the effect would be a fall in the money price of shoes, which would sell for only fifty cents per pair. The average money price of labour would remain the same, but the wages, in money, of the man that had had the monopoly of the machine, would fall to one dollar, unless by some new improvement he could place himself as far in advance as he had before been. The inferior workman, if unable to purchase a machine to aid him, would still make but half a pair of shoes per day, and would now obtain only one half as much money wages as he had before the change took place.

Money wages are higher in the United States and in England than elsewhere, because they possess aids to labour not common to all the world. Should their machinery remain stationary, while that of Germany, France, Italy, and the rest of Europe was being brought up to a level with that which they possess, the effect would be a rise in the money wages of the Continent and a fall in their own. If India and China were unable to obtain similar machinery, the effect would be a reduction in their money wages, already far below the average.

Supposing the precious metals and labour to maintain their present ratio to each other, the money wages of the United States can be supported only by maintaining the superiority of their machinery, and they can be augmented only by increasing that superiority. That object can be accomplished only by permitting both labourer and capitalist to apply their powers in the manner that they deem most productive, and by permitting capital to accumulate rapidly, as it will do when the drafts

upon the proceeds of labour, for the support of government, are moderate.

Every measure that increases the difference between them and other nations, must increase money wages, and every one that diminishes it, must diminish them. A war in Europe would diminish the product of wheat, and raise its price abroad. The producers thereof in the United States would find their power to obtain money increased, while those in Germany would find it diminished. If it were continued for a length of time, as were the wars of the French Revolution, the demand for corn would cause an increased demand for agricultural labour, and the producers of cotton, of hats, and of shoes, who had suffered inconvenience from the rise that had taken place in provisions, would be induced by the offer of high wages to turn their attention to the production of wheat. The waste of capital in Europe, by diminishing the amount of production, would tend to raise the money prices of commodities generally, and *labour would follow*. The producers of gold and silver would find their commodities diminished in their powers of commanding others in exchange.

Here, the increase in prices would *precede* the advance of wages, which would follow slowly after, and could not rise sufficiently high to give the labourer the same amount of commodities, because the average productiveness of labour had diminished. The reader, by calling to mind the changes in the price of commodities and of labour during the late wars, or at any period of deficient crops, will satisfy himself that such has always been the case.

Had those wars not taken place, capital would now be vastly more abundant, and the average power of labour to command the necessaries and conveniences of life would be much greater than at present. The people of France and Germany would produce their commodities in greater abundance, and would have larger quantities to exchange for the cotton and tobacco of the United States and the manufactures of Great Britain. The great community, constituting the world, is governed by the same laws as one composed of one hundred inhabitants, separated from the rest of the world and dependent upon itself for all its supplies. In such a society, if indisposition should



deprive it of the services of the shoemaker, or of those of the tailor, every member would feel the loss in the increased labour requisite to supply himself with shoes, or coats. Diminished production in one would be attended by diminished reward for labour to all. Such is the case in the world at large. If the people of Germany be prevented from selling their corn, they cannot purchase cotton or tobacco. If by war they be prevented from raising it, the people of the United States feel the effect in the diminished power of obtaining other commodities in exchange for their productions.

Short crops of wheat abroad produce increased prices at home, and there is an *appearance* of increased prosperity, but the effect of those increased prices is to diminish the labourer's power of obtaining it in exchange, and to diminish the demand for labour in consequence of the inability of foreigners to consume other articles that they have been accustomed to purchase. *Diminished production in any part of the world tends to diminish the quantity of commodities obtainable by the labourer in every other part, while increased production in any one tends to increase it in every other. It is, therefore, to the interest of all that universal peace should reign—that capital should increase—and that labour should be productive.*

When a rise in money wages arises from further improvements of machinery, by which the powers of the labourer are increased, and he is placed still further above the average of production, it is accompanied by a fall in the price of commodities.\* Thus if the shoemakers and hatters of the United

\* That this doctrine is in accordance with experience, is evident from the following statement.

"In the year 1834, in two fine spinning-mills at Manchester, a spinner could produce sixteen pounds of yarn, of the fineness of two hundred hanks to the pound, from mules of the productive fertility of three hundred to three hundred and twenty-four spindles, working them sixty-nine hours: and the quantity that he turned off in sixty-nine hours, more frequently exceeded sixteen pounds than fell short of it. These very mules being in the same year replaced by others of double power, let us analyze the result. The spinner had been accustomed to produce sixteen pounds of No. 200 yarn from mules of the said extent. From the list of prices, it appears, that in the month of May, he was paid 3s. 6d. per pound; which being multiplied by sixteen, gives 54s. for his gross receipts, out of which he had to pay (at the highest) 13s. for assist-

States could at once increase their production twenty-five per cent., shoes and hats would fall in price, while money wages would rise. A rise of money wages, in any country, from increased production, is advantageous to all, because it indicates an increase in the power of obtaining commodities generally, whereas a rise in one country, from diminished production in another, is disadvantageous to all, as it marks a diminution in the power of obtaining commodities generally.

We arrive now at the conclusion that *when the rise of money wages is preceded by a rise in the prices of commodities, it arises from diminished production—or from excess of the substitutes for money—is disadvantageous to the labourer, and temporary in its duration.\**

*When, on the contrary, it is accompanied by a fall in the prices of commodities, it arises from increased production—is advantageous to the labourer—and is likely to be permanent.*

ants. This leaves him 41s. of net earnings. But soon thereafter his mules have their productive power doubled, being remounted with six hundred and forty-eight spindles. He is now paid 2s. 5d. per pound, instead of 3s. 6d.—that is, two thirds of his former wages per pound; but he turns off double weight of work in the same time, namely, thirty-two pounds, instead of sixteen. His gross receipts are therefore 2s. 5d. multiplied into thirty-two, or 77s. 4d. He now requires, however, five assistants to help him, to whom, averaging their cost at 5s. a-piece per week, he must pay 25s.; or, to avoid the possibility of cavil, say 27s. Deducting this sum from his gross receipts, he will retain 52s. 4d. for his net earnings for sixty-nine hours' work, instead of 41s., being an increase of 9s. 4d. per week. This statement of the spinner's benefit is rather under the mark than above it, as might be proved by other documents, were it necessary."—*Supplementary Factory Report.—Preface to Tables by J. W. Cowell Esq.*

It is unnecessary to adduce any evidence of the constant fall in the price of all manufactures of cotton.

\* It is this state of things that produces Trades' Unions and other combinations to raise the price of labour. The labourers feel the inconvenience of high prices for commodities, and most naturally desire that theirs should also be advanced, which rarely occurs until a short time before the explosion which throws them out of employment. They suffer first by high prices of all articles of consumption, and afterwards by the inability to obtain wages. They are more sinned against than sinning. Interferences, by means of wars and restraints, with the natural laws which govern trade, are always the cause of those advances in price which diminish the reward of labour, and cause the labourers to become turbulent and disorderly.



## CHAPTER XI.

## REVIEW. MR. MALTHUS.

IN order that the reader may be enabled to compare the views which we have submitted to his consideration, with those of some of the most distinguished writers on the subject, we shall now give such extracts from their writings as are necessary for that purpose, with our remarks thereon, commencing with

MR. MALTHUS,

Who defines wealth to consist of "the material things necessary, useful, or agreeable to man, *which have required some portion of human exertion to produce.*"\* He would thus appear to ascribe to labour exclusively the power of giving value; but by the following extracts it will be seen that he deems the cause of *value in land* to be the scarcity of that which is fertile, or possessed of advantages of situation, and that the owners derive the power of demanding rent for its use from the necessity which exists of having recourse to soils that yield a smaller return to labour. He thus departs from his original position.

"In the early periods of society, or more remarkably perhaps, when the knowledge and capital of an old society are employed upon fresh and fertile land, the surplus produce of the soil shows itself chiefly in extraordinary high profits, and extraordinary high wages, and appears but little in the shape of rent. While fertile land is in abundance, and may be had by whoever asks for it, nobody of course will pay a rent to a landlord. But it is not consistent with the laws of nature, and the limits and quality of the earth, that this state of things should continue. *Diversities of soil and situation* must necessarily exist in all countries. *All land cannot be the most fertile: all situations cannot be the nearest to navigable rivers and markets.* But the accumulation of capital beyond the means of employing it on land of the greatest natural fertility, and the most

\* Definitions, p. 234.

advantageously situated, *must necessarily lower profits*; while the tendency of population to increase beyond the means of subsistence must, after a certain time, *lower the wages of labour*.”\*

“If the profits of stock on the inferior land taken into cultivation were thirty per cent., and portions of the old land would yield forty per cent., ten per cent. of the forty would obviously be rent by whomsoever received. When capital had further accumulated, and labour fallen on the more eligible land of a country, other lands, *less favourably circumstanced with respect to fertility or situation*, might be occupied with advantage. The expenses of cultivation, including profits, having fallen, poorer land, or land more distant from rivers or markets, though yielding at first no rent, might fully repay these expenses, and fully answer to the cultivator. And again, *when either the profits of stock, or the wages of labour, or both, have still further fallen, land still poorer or still less favourably situated, might be taken into cultivation*.†

These are, we believe, the only two passages in which reference is made to “advantages of situation.” Throughout the remainder of his work, rent is attributed as exclusively to difference of fertility, as if no mention had been made of any other quality. His whole theory of rent, and of population, is built upon *the necessity for cultivating inferior soils, yielding a constantly decreasing return to labour*, the consequence of which must be found in a constantly decreasing rate of wages and of profits. We have shown that advantages of situation result entirely from the application of labour and capital, by which the “desert wastes” of the Netherlands are made to produce a greater value of commodities than the fertile lands of Illinois, and the inferior soils of England to yield larger wages to the cultivator than the superior soils on the banks of the Ganges, and of the Indus. In order that the doctrines of Mr. Malthus should be admitted to be true, it would be necessary to prove that as soils inferior, *either as regards fertility, or situation*, are brought into cultivation, there is a reduction in the rate of wages and of profits. Inferiority of situation is precisely equivalent to inferiority of fertility, as the man who cultivates land No. 6, near New York, yielding him two hundred bushels, has as large a return for his labour as he who cultivates No. 1, in Illinois, or elsewhere,

\* Principles of Political Economy, p. 150.

† Ibid. p. 153.

yielding him three hundred, of which one third is taken to defray the cost of transportation. The one can produce *at market* as much as the other. The 100 additional bushels are consumed by the men and horses employed in carrying it there.

It is important that the reader should remark that *either cause produces inferiority*, as otherwise he is liable to be misled. It is said that wages are high in Illinois, because there only the most fertile lands are cultivated, while the real inferiority, which consists in disadvantages of situation, is carefully kept out of sight. Where inferior land near a city yields high wages, they are attributed to advantages of situation—*i. e.* capital. If those advantages give value to inferior lands, their absence must detract from the value of those which are fertile, and difference in this respect must be the cause why the inferior soils of many parts of Europe, and of the United States, yield large wages to the labourer, and pay, as rent, more than can be obtained for the fee simple of others among the most fertile in the world. Those inferior lands can produce *at market* a greater exchangeable value than the others can now do.

We have shown that as population and capital increase—as inferior land is taken into cultivation, and as additional capital is applied to that already occupied—wages and profits both rise—that such has been the case for five centuries in England—that it has been so in the United States, and in various other countries—while rent was steadily increasing, thus proving that value in land does not arise from the necessity of applying additional capital with diminished return, but that, on the contrary, it uniformly accompanies, and increases with, *the power of applying capital and labour to those inferior lands, with an increased return.*

It is assumed, on the contrary, by Mr. Malthus, that high profits and high wages attend the early periods of society, when there is abundant evidence that precisely the reverse is the case. We have seen that the return to capital and labour, in commodities, is greater in the United States than it was a century since, and we know that both are rising. We know that wages are higher in England, which is densely peopled, than in Poland, which is not; we know that the rent which is paid by the Polish, or Russian, serf in a land so thinly peopled

that the inferior soils need not be cultivated, is vastly greater *in proportion to the product* than in Holland, where much of what is occupied was, some centuries since, "a desert waste." We know that it is in the early periods of society that man is held in slavery for the purpose of compelling the payment of rent, which is always most oppressive when population is thin, and when only the most fertile lands are cultivated. We know that in the formation of new settlements, where fertile land abounds, there is great poverty and distress, and yet it is assumed, that as population increases, and as cultivation is extended, there is a constantly diminishing return to labour and capital, causing a reduction of both wages and profits.

Mr. Malthus attributes the power to command rent to certain properties peculiar to the soil, as follows:—

"The inequality of soils occasions, even at an early period of society, a comparative scarcity of the best lands; and this scarcity is undoubtedly one of the causes of rent properly so called. On this account, perhaps the term *partial monopoly* may be fairly applicable to it. But the scarcity of land, thus implied, is by no means alone sufficient to produce the effects observed. And a more accurate investigation of the subject will show us how different the high price of raw produce is, both in its nature and origin, and the laws by which it is governed, from the high price of a common monopoly.

"The causes of the excess of the price of raw produce above the costs of production, may be stated to be three.

"First, and mainly, That quality of the earth, by which it can be made to yield a greater portion of the necessaries of life than is required for the maintenance of the persons employed on the land.

"2dly, That quality peculiar to the necessaries of life of being able, when properly distributed, to create their own demand, or to raise up a number of demanders in proportion to the quantity of necessaries produced.

"And, 3dly, The comparative scarcity of fertile land, either natural or artificial.

"The quality of the soil here noticed as the primary cause of the high price of raw produce, is the gift of nature to man. It is quite unconnected with monopoly, and yet is so absolutely essential to the existence of rent, that without it no degree of scarcity or monopoly

could have occasioned an excess of the price of raw produce, above what was necessary for the payment of wages and profits.”\*

Here we have Mr. Malthus's true doctrine of rent, freed from any admixture of “advantages of situation.” Rent is owing, I. To the quality that the soil possesses of yielding more than is necessary for the cultivators. II. To a property peculiar to it of raising consumers. III. To the high price of raw produce, caused by the scarcity of fertile land, making it constantly necessary to have recourse to inferior soils, at a constantly reducing rate of wages.

In regard to the first and second of these causes, it may be remarked that they are possessed in common with all other machines used by man. A cotton mill pays rent, because it possesses the property of producing much more than is necessary to supply the wants of those who are employed in working it. It possesses that of increasing the number of consumers of its products, because every improvement tends to facilitate their acquisition by those who have been unable to consume them, or have been compelled to limit their consumption within what is necessary to their comfort, or their pleasure. It tends to increase the number of those who may devote themselves to the production of food; because it diminishes the number required for the production of other commodities that are equally necessary. When a large portion of time and labour is required for the construction of houses and for the preparation of clothing, a small portion remains for producing food, but with every increase in the power of obtaining one necessary of life, there is increased power of obtaining all others. A ship pays rent for the same reasons. By diminishing the quantity of labour required for the transportation of food to the place of consumption, an increased quantity is left to be applied to producing it at the place of growth. A rail road tends to increase the number of consumers of food, because it diminishes the quantity required by the horses that would otherwise be employed. All tend to facilitate production—all have an equal tendency to increase the number of consumers—all pay rent for the same reasons—while not one of them would do

\* Principles of Political Economy, p. 148.

so if all their products were consumed by the persons employed in working them. These properties being thus common to all machines, it is unnecessary to discuss them further, and we will therefore turn our attention to cause No. III.

If that be the true cause, wages should have fallen, and they should continue to fall. The high price of raw produce being caused by the necessity of constantly having recourse to inferior soils, and those soils having been brought into action to a vast extent in England, within the last century, the effect, if ever to be produced, should at least have commenced. It should also have commenced in the United States, which have grown to a population of fifteen millions, scattered over a vast extent of country, in which every species, from the rugged soil of New England to the sandy one of New Jersey, and the fertile alluvion of the Mississippi, is now in cultivation. Here we have an old and a new state, and can compare the results. If we can find a reduction of wages, the theory has facts to rest upon—but if it is evident that, with the extension of cultivation from No. 1 to No. 2, there is an advance of wages; that a similar result takes place in going from No. 2 to No. 3, and that it is continued through Nos. 4, 5, and 6; that it is steadily going on, and that the advance is daily more rapid; we may doubt much if the doctrine be sound, and must seek elsewhere for a cause of that value, the evidence of which is found in the payment of rent.

Having attributed the value of land and the power to demand rent, to the appropriation of the most productive soils—or partial monopoly, Mr. Malthus proceeds to show that it is governed by laws different from those which govern other monopolies, thus endeavouring to establish a difference between capital thus employed, and that which is invested in other descriptions of machinery.

“In all common monopolies, the price of the produce, and consequently the excess of price above the cost of production, may increase without any definite bounds. In the partial monopoly of the land which produces necessaries, the price of the produce cannot by any possibility exceed the value of the labour which it can maintain; and the excess of its price above the cost of its production is subjected to a limit as impassable. This limit is the surplus of necessaries

which the land can be made to yield beyond the lowest wants of the cultivators, and is strictly dependent upon the natural or acquired fertility of the soil. Increase this fertility, the limit will be enlarged, and the land may yield a high rent; diminish it, the limit will be contracted, and a high rent will become impossible; diminish it still further, the limit will coincide with the cost of production, and all rent will disappear.”\*

Here we are told that the “price of produce cannot exceed the value of the labour which it can maintain.” How is it to be maintained? As in India, upon a handful of rice, and a rag of clothing, or as in the United States, upon the best provisions most abundantly supplied, and with the best clothing? The value of produce is that of the labour that can be obtained in exchange for it, and cannot exceed that limit, which is also the limit of the price of cotton and woollen goods, of ships, and of commodities of all descriptions.

We are also told that there is a limit to the excess of value, and that it is strictly dependent upon fertility. We might apply this, with equal propriety, to a cotton mill. Increase the productive power of land by the addition of manure, or by the making of rail roads and canals, and the excess, over and above the share of the cultivator, will be increased. Do the same with a cotton mill, and the same result will be obtained. Destroy the roads and bridges, and the land will cease to be cultivated, and will cease to pay rent. Take out the machinery of the cotton mill, and it will be abandoned, and will pay no rent to its owner. *If, however, the wants of the people make it necessary to cultivate the land, notwithstanding its deterioration, or to work the mill with inferior machinery, rent will not disappear, but, on the contrary, the owner will have it in his power to demand a constantly increasing proportion of the product, attended with a constant decrease in the amount of commodities at his command.* Here the “necessity for cultivating inferior soils” will exist, with all its consequences. Thus all that is said of land is equally true of capital employed in any other way.

Mr. Malthus asks, “Is it [rent] not a clear indication of a most inestimable quality in the soil, which God has bestowed on man—the quality of being able to maintain more persons than are necessary

\* Principles of Political Economy, p. 148.

to work it? Is it not a part, and we shall see farther on that it is an absolutely necessary part, of that surplus produce from the land, which has been justly stated to be the source of all power and enjoyment; and without which, in fact, there would be no cities, no military or naval force, no arts, no learning, none of the finer manufactures, none of the conveniences and luxuries of foreign countries, and none of that cultivated and polished society, which not only elevates and dignifies individuals, but which extends its beneficial influence through the whole mass of the people?"\*

Is not this equally true of a cotton mill, and of all other machinery? If the labour of men employed upon land, produced no more than the necessary supply of *food* for those who worked it, no cotton could be grown, and no clothes could be made. If a cotton mill could produce no more cloth than was necessary for those who worked it, they who were thus employed could not supply clothing to those who were employed in producing food.

If rent arise out of the necessity for cultivating inferior soils, yielding a constantly diminishing return to labour, how is it that in every country, as cultivation is extended over those soils, there is a constantly increasing power of enjoying all the comforts, conveniences, and luxuries above referred to?

If it be an indication of the admirable quality above indicated, how is it that when the most fertile soils only are cultivated, and when the owner of land claims as rent the largest portion of the product, there is constant danger of starvation? How is it that the people of Poland, of Russia, and of all countries in which the population is thin, and in which the necessity for cultivating the inferior soils does not exist, *cannot produce* as much as in England and the United States is necessary for the labourer's share? How is it that on the most fertile lands in the world, like those of Texas, the labourer could not make wages, while the inferior soils in England and the United States yield large rents to their owners, and large wages to the occupants? How is it that where the owner can claim, as rent, the largest proportion, there are few cities, or towns—no learning—none of the finer manufactures—no consumption of the conveniences and luxuries of foreign countries?

\* Principles of Political Economy, p. 149.



“If profits and wages were not to fall, then, without particular improvements in cultivation, none but the very richest lands could be brought into use.”\*

Here is a reason offered to explain why wages and profits have not fallen, although inferior soils have been brought into use. If the law proposed by Mr. Malthus were true, he would not find it necessary to offer such explanation, because it would be *universally* true. Improvements of cultivation arise out of increased capital, and are the cause why inferior lands pay higher rent than was formerly paid by the most fertile, at the same time that the labourer receives higher wages. Those improvements are constantly going on, and there is no reason to doubt that the worst land in Great Britain will at some future period pay as high a rent as is now paid by the best, leaving to the cultivator higher wages than he now receives.

“When such an accumulation of capital takes place on the lands first chosen, as to render the returns of the additional stock employed less than could be obtained from inferior land, it must evidently answer to cultivate such inferior land.”†

When such an accumulation of capital in the form of roads and canals takes place, as will render the produce of inferior land sufficiently valuable to pay wages to those engaged upon it, *to the full extent they have been accustomed to receive from superior lands*, it will be cultivated, but not before.

“The fall of profits and wages which practically takes place, undoubtedly transfers a portion of produce to the landlord, and forms a part, though, as we shall see farther on, only a part of his rent.  
\* \* \* \* The transfer from profits and wages, and such a price of produce as yields rent, which have been objected to as injurious, and as depriving the consumer of what it gives to the landlord, are absolutely necessary in order to obtain any considerable addition to the wealth and revenue of the first settlers in a new country; and are the natural and unavoidable consequences of that increase of capital and population for which nature has provided in the propensities of the human race.”‡

Here the reduction of the wages of the cultivator, and of the profits of the capital he may employ in its cultivation, is assumed as necessary “to obtain any considerable addition to

\* Principles of Political Economy, p. 152. † Ibid. p. 153. ‡ Ibid. p. 152.

the wealth and revenue of the settlers in a new country," and necessary to the appearance of rent. In the United States there has been the most rapid advance of wages, and the profits of capital continue to rise, while there is a constant increase of population, accompanied by the cultivation of the inferior soils. Rents are daily rising, and with them the wages of labour and the profits of capital. Such also has been the case in England, while in those countries in which only the most fertile lands are cultivated, wages are still very low.

"In most of the great eastern monarchies, the sovereign has been considered in the light of the owner of the soil. This premature monopoly of the land, joined with the two properties of the soil and of its products first noticed, has enabled the government to claim, at a very early period, a certain portion of the produce of all cultivated land; and under whatever name this may be taken, it is essentially rent. It is an excess both of the quantity, and of the exchangeable value of what is produced above the actual costs of cultivation.

"But in most of these monarchies there was a great extent of fertile territory; the natural surplus of the soil was very considerable; and while the claims upon it were moderate, the remainder was sufficient to afford such ample profits and wages as could not be obtained in any other employment, and would allow of a rapid increase of population."\*

The whole sum claimed by these Eastern governments is deemed to be an excess above the cost of cultivation. That "cost" is the labour employed, and it depends upon the amount thus claimed as "excess," whether the labourer shall be compelled to live on a handful of rice per day, and go naked, or be permitted to have a full allowance of good provisions and comfortable clothing. The whole proceeds of the soil of India, as at present cultivated, would not pay the cost of cultivation by an English, or American, labourer. Notwithstanding this, "the natural surplus" claimed by the great tax-gatherer, is one half of the whole product, leaving "such ample wages" as enable him, with difficulty, to purchase a rag with which he can cover his nakedness. That country may be considered as one in which none but the most fertile soils are brought into action, because its inhabitants are unable to avail themselves of any of the

powers of the land but those which are accessible with the worst machinery, yet it is adduced as evidence that rent is paid only when inferior soils are cultivated. Ploughs and harrows would produce the same effect in India, as is produced by rail roads in the United States. In the one the labourer would be enabled to go deeper into the soil which he now scratches over, as in the other, he is enabled to cultivate more distant lands. Both are inferior soils requiring capital. Colonel Munro, one of the highest authorities in relation to Indian affairs, was of opinion that, were it permitted to accumulate, population might increase more rapidly than in America, with a constant improvement of condition. There would, however, be a constant "necessity for having recourse to inferior soils," and if the most fertile yield now only a handful of rice and a rag, what would be their condition, unless it should prove that as cultivation is extended there is a constant increase of both wages and profits? Rent is most oppressive, and the *proportion* claimed as excess by the owners of the land is largest, where, as in India, Poland, and Russia, only the best land is cultivated, and where the cultivator does not possess the means of availing himself of those powers which require good machinery.\* In Poland, and many parts of Russia, the average return is not three for one,† although the population is small, and they require to cultivate only the fertile soils, which might be made to yield as largely as the Netherlands. Were capital employed to aid production, there would be an immediate advance of wages and of rents.

"Rent then has been traced to the same common nature with that general surplus from the land, which is the result of certain qualities of the soil and its produce; and it has been found to commence its separation from profits and wages, as soon as they begin to fall from the scarcity of fertile land, whether occasioned by the natural progress of a country towards wealth and population, or by any premature and unnecessary monopoly of the soil."‡

\* All rents of the kind referred to here, arise out of circumstances totally unconnected with fertility of soil. They are not, properly speaking, rents, but taxes. The East India Company, or the land owner, (zemindar,) takes half the gross product, on the ground of being proprietor of the soil, and leaves a miserable remnant to the producers.

† See page 13.

‡ Principles of Political Economy, p. 160.

In Great Britain land is monopolized, and if that circumstance could have raised rents, it would have done so. No man, however, would cultivate the soil unless he could have as good wages as in any other employment, and as capital increased and became invested in manufactures, the opportunity for obtaining that employment increased. The owner of capital invested in machinery for making cottons, was a competitor with the owner of that invested in land, for the services of labourers. The latter has endeavoured to raise rents by securing to himself a monopoly of the supply of grain, a measure that would not have been required if a monopoly of land could have had the effect. By it, the power to demand *rent*, and that of collecting *taxes*, are united in the same party, *as in India*.

The monopoly of land is as complete in the United States as in Great Britain, but it has no influence upon rent. No man will work on a farm unless he can be paid for his labour the same wages that he can obtain in other pursuits. If he cannot raise corn, he can manufacture cotton, and exchange the product with the people of Poland for what he wants.

Rent is said to begin as soon as profits begin to fall in consequence of the scarcity of fertile land. Such land is not scarce in the United States. Profits have not fallen—wages have greatly advanced—yet rent is paid. To what can this be attributed but to the fact that it is paid for the use of capital, and that the power to pay increases with the increase of capital and the extension of cultivation.

In reply to some remarks of Mr. Ricardo, Mr. Malthus asks, “Where will the high real wages of America finally go? to profits? or to rent? If the labourers were permanently to receive the value of a bushel of wheat a day, none but the richest lands could pay the expense of working them. An increase of population and a fall of such wages would be absolutely necessary to the cultivation of poor land. How then can it be said, that a fall of wages is not one of the causes of a rise of rents?”\*

The high wages of America will go to neither profit nor rent. They have gone, and they will go to enable the labourer to accumulate capital, to improve land, and to make for him-

\* Principles of Political Economy, p. 163.

self higher wages than at present. Accumulation of capital produces the effect that Mr. Malthus anticipates from a fall in wages, and brings into action that land which is deficient in fertility, or in advantage of situation, with a constantly increasing rate of wages.

“The third cause enumerated as tending to raise rents by lowering the expenses of cultivation, compared with the price of the produce, is, *such agricultural improvements, or such increase of exertions, as will diminish the number of labourers necessary to produce a given effect.*”\*

Here we have the true cause of rent. Those improvements, in the form of improved machinery, drainage, roads, canals, rail roads, steamboats, locomotive engines, &c., by which a given quantity of labour can produce, *at market*, a larger quantity of produce than can be produced from land which has not had the advantage of capital so applied, or to which it has been applied to a smaller extent, enable the occupant to pay it and to make larger wages than he could upon other lands if he had them rent free. He pays for the use of the capital employed upon, or for the benefit of the land, and for the advantage derived from that in his vicinity, by which he is enabled to perform his exchanges at smaller cost.

“But if these improvements, as must always be the case, would facilitate the cultivation of new land, and the better cultivation of the old with the same capital, more corn would certainly be brought to market. This would lower its price; but the fall would be of short duration. The operation of that important cause noticed in the early part of this chapter, which distinguishes the surplus produce of the land from all others, namely, the power of the necessaries of life, when properly distributed, to create their own demand; or, in other words, the tendency of population to press against the means of subsistence, would soon raise the prices of corn and labour, and reduce the profits of stock to their former level; while, in the meantime, every step in the cultivation of poorer lands, facilitated by these improvements, and their application to all the lands of a better quality before cultivated, would universally have raised rents; and thus, under an improving system of cultivation, rents might continue rising without any rise in the exchangeable value of corn, or any fall in the real wages of labour, or the general rate of profits.”†

\* Principles of Political Economy, p. 163.

† Ibid. p. 164.

The fall in the price of corn, arising out of improved cultivation, is described as temporary, because Mr. Malthus supposes that population must increase with such rapidity as again to raise the price; but, is there a single instance to be found in which such has been the case? It has been shown that grain has fallen very steadily for several hundred years past, and that a given amount of labour will command much larger quantities of food than formerly. It has been shown that, throughout the world, the power to do so is greatest where population has increased most rapidly. Where, then, is the fact upon which Mr. Malthus rests his assertion? We assert, without hesitation, that *there is not one*. Were the people of *China* permitted to exercise their powers freely, and were property secure, capital would accumulate rapidly, the inferior soils would be brought into cultivation, and wages and profits would both rise, and continue to rise when population had been doubled, trebled, or quadrupled.

We see that every day increases the quantity of inferior land taken into cultivation, and that there is a constant tendency to rise in wages. We have abundant evidence that when only the most fertile lands are cultivated, wages are low, and that with the increase of population and extension of cultivation over lands that are inferior in fertility, or situation, they rise.

“The very great improvements in agriculture, which have taken place in this country, are clearly demonstrated by the profits of stock being as high now as they were nearly a hundred years ago, when the land supported but little more than half of its present population. And the power of the necessaries of life, when properly distributed, to create their own demand, is fully proved by the palpable fact, that the exchangeable value of corn in the command of labour and other commodities, is, to say the least, undiminished, notwithstanding the many and great improvements which have been successively introduced in cultivation, both by the introduction of better implements, and by an improved system of managing the land. In fact, these improvements have gone wholly to the increase of rents and the payment of taxes.”\*

The power of corn to command labour is stated to be “at least

\* Principles of Political Economy, p. 165.

undiminished ;” whereas, we have seen that wages in corn have doubled in the last century, and that in cotton they have quadrupled within half a century ! All the improvements are stated to have gone in rent and taxes. Much, far too much ! has gone towards the latter, but the improvement of the condition of the labourer has been immense, and it must continue with the increase of capital and extension of cultivation.

The enormous waste occasioned by the long continued war, and the diminished production consequent upon the employment of so large a body of men in carrying muskets instead of using spades, had caused a great reduction in the *proportion* of product assigned to the labourer, and Mr. Malthus regarded this artificial state of things as evidence of the correctness of his views—as a proof of the correctness of that which he had laid down as one of the laws of nature. It was only the action of one of his “positive checks” to over-population.

“In all rich manufacturing and commercial countries, the value of manufactured and commercial products bears a very high proportion to the raw products ; whereas, in comparatively poor countries, without much internal trade and foreign commerce, the value of their raw produce constitutes almost the whole of their wealth.”\*

The comparatively poor countries here referred to, are those whose limited population frees them from the necessity of cultivating any but the best soils. As population becomes more dense, and cultivation is extended to the inferior soils, wages and profits increase, capital accumulates, and manufactures rise. Such has been the case with Great Britain and the United States.

“According to the returns lately made to the Board of Agriculture, the average proportion which rent bears to the value of the whole produce, seems not to exceed one fifth ; whereas, formerly, when there was less capital employed and less value produced, the proportion amounted to one fourth, one third, or even two fifths. Still, however, the numerical difference between the price of produce and the expenses of cultivation increases with the progress of improvement ; and though the landlord has a less *share* of the whole produce, yet this less share, from the very great increase of the produce, yields a larger quantity, and gives him a greater command of corn and

\* Principles of Political Economy, p. 171.

labour. If the produce of land be represented by the number six, and the landlord has one fourth of it, his share will be represented by one and a half. If the produce of land be as ten, and the landlord has one fifth of it, his share will be represented by two. In the latter case, therefore, though the proportion of the landlord's share to the whole produce is greatly diminished, his real rent, independently of nominal price, will be increased in the proportion of from three to four. And, in general, in all cases of increasing produce, if the landlord's share of this produce do not diminish in the same proportion, which, though it often happens during the currency of leases, rarely or never happens on the renewal of them, the real rents of land must rise."\*

Mr. Malthus supposes that the increased *quantity* gives an increased power to command both *corn and labour*. It gives more corn, but *less labour*. The reader will see this fully stated at page 76, *ante*.

"In the progress of cultivation, and of increasing rents, rent, though greater in positive amount, bears a less and less proportion to the quantity of capital employed upon the land, and the quantity of produce derived from it. According to the same principle, *when produce diminishes and rents fall, though the amount of rent will always be less, the proportion which it bears to capital and produce will be greater.*† And as, in the former case, the diminished proportion of rent was owing to the necessity of yearly taking fresh land of an inferior quality into cultivation, and proceeding in the improvement of old land, when it would return only the common profits of stock, with little or no rent; so, in the latter case, the high proportion of rent is owing to the discouragement of a great expenditure in agriculture, and the necessity of employing the reduced capital‡ of the country in the exclusive cultivation of the richest lands, and leaving the remainder to yield what rent can be got for them in na-

\* Principles of Political Economy, p. 177.

† Here we have the cause of the state of things to which Mr. Malthus refers, (*ante*, page 171,) where he says, the increased produce "has gone to rent and taxes." In consequence of the waste of capital caused by the war, the ratio of production to population was diminished, and the landlord's *share* rose. That of the labourer fell, while the weight of taxation was increased. Rents, *in produce*, fell, but, *in money*, they rose, in consequence of the increased money price of that produce.

‡ How can capital be reduced under circumstances that ought to give large wages and large profits?



tural pasture, which, though small, will bear a large *proportion* to the labour and capital employed.”\*

This diminished proportion is attributed to “the necessity of yearly taking fresh land of an inferior quality into cultivation, and proceeding in the improvement of old land, when it would return only the common profits of stock, with little or no rent.” Here, the very circumstance which proves, most conclusively, that the value of land is attributable to labour, is brought forward to prove that it is owing to monopoly, and not to labour. In order to show the error that exists, we shall be compelled to repeat some of the arguments of our first chapter.

If a week’s labour will give at one time an axe of steel and iron, and if the same amount of labour at another will produce only one of iron, and at a subsequent period one of flint, it is obvious that the produce of that labour which is aided by axes which will yearly diminish, and that the owner of capital invested in those first made, will have it in his power to demand a constantly *increasing proportion* of the product, owing to the increasing difficulty of obtaining axes, and to the constantly diminishing return to labour consequent upon the necessity for using inferior implements.

If the labour applied to land be attended with the production of machines of *constantly decreasing power*, the owner of the first will find the value of his capital constantly increasing in its value when compared with labour, attended with the power of demanding a *constantly increasing share* of the product; whereas, if a given quantity of labour, applied to the production of axes or farms, give machines of *constantly increasing power*, the value of machinery already existing will fall in value when compared with labour, and the owner will find his *proportion constantly diminishing*, while the *amount will be as steadily increasing*, precisely as above stated by Mr. Malthus to have occurred in Scotland.

If any further evidence were required, it would be found in the fact that every day, in every country not cursed with wars and desolation, increases the quantity of commodities that can be obtained for any given quantity of capital and labour.

\* Principles of Political Economy, p. 181.

No man will employ capital on land, unless it will yield him as much as he can obtain for its use when invested in government stocks. The revenue derived from capital invested in stocks has increased with the extension of cultivation, proving an increase in the return to that employed in cultivating the inferior soils.

“The price\* of corn, in reference to the *whole quantity* raised, is sold at the natural or necessary price; that is, at the price necessary to obtain the actual amount of produce, although by far the largest part is sold at a price very much above that which is necessary to its production, owing to this part being produced at less expense, while its exchangeable value remains undiminished.”†

This is perfectly true when trade is left to regulate itself, but not so when the price is raised by a body of landholders, who interdict the great body of people from purchasing from any but themselves. Cotton is sold at its natural price, and that price gives a larger reward to the producer, than can be obtained by raising corn in England, even with the aid of corn laws. It is equally true in regard to fish, oil, and all other commodities. As capital increases, and with it the demand for those commodities, new and more distant fisheries are resorted to, but those “inferior soils” yield a constantly increasing return to both capital and labour. A cotton mill yields a large rent, while another one, with an equal number of spindles, distant one hundred miles, may be had for one half of the sum. The difference arises, as in the case of land, from the saving of transportation. The capital near the first facilitates the exchange of its products. The cloth produced at the most distant mill costs more than those at the nearest one, because labour is not there aided by the same amount of capital, but labour is then more productive than it was when the first was put into action.

“The difference between the price of corn and the price of manufactures, with regard to natural or necessary price, is this—that if the price of any manufacture were essentially depressed, the whole manufacture would be entirely destroyed; whereas, if the price of corn were essentially depressed, the *quantity* of it only would be diminished. There would be some machinery in the country still capable of sending the commodity to market at the reduced price.”‡

If any particular manufacture be depressed, *it must be in re-*

\* *Sic in orig.*

† Principles of Political Economy, p. 183.

‡ Ibid. p. 184.

*lation to other commodities.* If the depression in the cotton manufacture be such that the workman cannot obtain as much corn as by employing himself directly in the production of that article, he will quit the mill and labour on a farm. If the price of corn fall in relation to cotton goods, labour will be transferred to cotton mills. In each case the quantity of one would be diminished, and of the other increased, until an equality should be established. The laws which govern capital and labour applied to the production of corn, and of manufactured commodities, are precisely the same.

Another attempt is made in the following passage to establish a difference between land and other machinery, but it is not more successful.

“This great inequality in the powers of the machinery employed in producing raw produce, forms one of the most remarkable features which distinguishes the machinery of the land from the machinery employed in manufactures.

“When a machine in manufactures is invented, which will produce more finished work with less labour and capital than before, if there be no patent, or as soon as the patent has expired, a sufficient number of such machines may be made to supply the whole demand, and to supersede entirely the use of all the old machinery. The natural consequence is, that the price is reduced to the price of production from the best machinery, and if the price were to be depressed lower, the whole of the commodity would be withdrawn from the market.

“The machines which produce corn and raw materials, on the contrary, are the gifts of nature, not the works of man; and we find, by experience, that these gifts have very different qualities and powers. The most fertile lands of a country, those which, like the best machinery in manufactures, yield the greatest products with the least labour and capital, are never found sufficient, owing to the second main cause of rent before stated, to supply the effective demand of an increasing population. The price of raw produce, therefore, naturally rises till it becomes sufficiently high to pay the cost of raising it with inferior machines, and by a more expensive process; and, as there cannot be two prices for corn of the same quality, all the other machines, the working of which requires less capital compared with the produce, must yield rents in proportion to their goodness.”\*

In order to judge of the correctness of this comparison, we will compare the machines used in producing corn and in manufacturing it into flour. In the outset, when only the most fertile lands require to be cultivated, the cultivator, provided with a stick, or an imperfect substitute for a spade, can with difficulty obtain as much as will suffice to support him. At the same time the machinery for converting the corn into flour is equally rude, and a large amount of labour is requisite to prepare it for consumption. An improvement takes place, and the stick is replaced by a spade, and at the same time a hand mill is invented, by which the conversion of the corn is facilitated. Another step gives him a plough, and at the same time the power of wind is made to turn a mill, by which the manufacture is again improved. Another improvement in cultivation takes place, giving him the harrow, and considerable improvements in the instruments heretofore used. He now obtains twice as much corn with the same labour as at first, and the water power of his vicinity being brought to aid in the grinding of his grain, the proportion taken by the miller is very much reduced, and thus in both ways are his wages increased. Another step gives him a road to a city, and at the same time the machinery of the mill is improved, so that while the product of his farm is increased, the cost of manufacturing it is reduced, and the facilities for exchanging it for other articles necessary for his consumption are increased. Another step gives him a canal—a further one a rail road, and, simultaneously, the application of steam to grinding flour gives him a mill much nearer than it had before been, and thus saves expense of carriage. All the capital invested in these improvements tends equally to aid production and to facilitate exchange, and enables him to obtain increased wages, while it tends to raise the value of his property in comparison with that of others not possessing the same advantages, and enables him to demand rent, or interest, for its use. What is here said of corn is equally true in regard to cotton, flax, silk, hemp, and all the other products of agriculture.

It is assumed, in the passage above quoted, that the cost of producing corn rises with the extension of cultivation, whereas it *invariably falls*, and more is obtained in return for any given

quantity of labour. As the machines used in manufactures are improved, the cost of the commodity produced therewith falls; and as the machines applied to the production of corn are improved, the cost of production is decreased, and the price, in labour, falls. Capital applied in either case produces exactly the same results. The man who invests 10,000 dollars in building a mill expects twice as much rent as his neighbour who expends but half the sum, and he who expends a large sum in improving his farm and in making a road to it, expects a larger rent than another who has made no such investment. Corn does not *rise* to the cost of producing it on inferior land, but *falls* to the cost of obtaining it from the more productive machines daily brought into action, precisely as in the case of manufactures.

“In the regular progress of a country towards general cultivation and improvement, and in a natural state of things, it may fairly be presumed, that if the last land taken into cultivation be rich, capital is scarce, and profits will then certainly be high.”\*

In such a case, *both wages and profits should, according to the theory, be high*. Much of that which is now coming into use in Ireland is highly fertile, yet no one would say that wages and profits are as high in Ireland as in England. If this were true, it must have been equally true a century since, and as more fertile soils were then brought into cultivation than can now be found unoccupied, both should have been higher at that time than at present, yet *the revenue from any given amount of capital, or labour, will now purchase a much larger amount of commodities than it did one, two, three, or five centuries since*. The owner of capital had then a larger proportion of the product, but his revenue was small.

“The second cause of the high comparative price of corn, is the high comparative cost of production. If we could suppose the value of money to be the same in all countries, then the cause of the higher money price of corn in one country compared with another, would be the greater quantity of capital and labour which must be employed to produce it; and the reason why the price of corn would be higher, and continually rising in countries already rich, and still advancing in prosperity and population, would be to be found in the

\* Principles of Political Economy, p. 190.

necessity of resorting constantly to poorer land—to machines which would require a greater expenditure to work them—and which would consequently occasion each fresh addition to the raw produce of the country to be purchased at a greater cost—in short, it would be found in the important truth that corn, in a *progressive country*, is sold at the price necessary to yield the actual supply; and that, as this supply becomes more and more difficult, the price must rise in proportion.”\*

The reason why corn is apparently higher in rich countries than in poor ones, is that the latter are sellers of raw produce, and the former are purchasers of it. While England exported grain it was necessarily lower than in the countries to which it was sent, but the increased capital applied to manufactures enables the people of that country to obtain it from abroad with less labour than is necessary to produce it at home. The *money price* must be sufficiently high to warrant its importation, but the *labour price* is less than in the countries from which it comes. *In no country is the former so high as in the United States and Great Britain, but in none is the latter so low.*

In neither does the high price arise from the “necessity of cultivating inferior soils,” for those of the United States recently brought into cultivation are among the most fertile lands of the world. They wanted advantages of situation, and were less valuable than the sterile soils of New England. They are the inferior soils, but as they are brought into activity, corn falls in its labour price, instead of rising as supposed by Mr. Malthus.

“With regard to improvements in agriculture, which in similar soils is the great cause which retards the advance of price compared with the advance of produce; although they are sometimes most powerful, and of very considerable duration, they cannot finally be sufficient to balance the necessity of applying to poorer land, or inferior machines.”†

For centuries past there has been improvement in the condition of the human race as steady as the interferences of governments would permit. In England there has been an almost constant advance, but in the United States, where those interferences have been comparatively small, the onward course has been uninterrupted. If such has been the case for five centuries,

\* Principles of Political Economy, p. 194.

† Ibid. p. 197.

and if we see that the increase of comfort becomes daily more rapid, can we suppose that any reason exists why the progress of improvement should be arrested? Let the changes that have taken place be examined, and they will be found to be increasing in magnitude with time, as the ball falling to the earth increases its rapidity of movement with every moment's approach thereto. The steam vessel and the rail road have, within a few years, done more to facilitate the acquisition of the comforts of life than was done during the whole of the last century, and it cannot be doubted that they are merely the precursors of other improvements equally, if not vastly more, important.

"In spite of continued improvements in agriculture, the money price of corn is generally the highest in the richest countries; while in spite of this high price of corn and consequent high price of labour, the money price of manufactures still continues lower than in poorer countries."\*

The country which possesses capital can supply manufactures at less cost than that which does not, and it is therefore beneficial to poor countries to be supplied therefrom, but they have only corn, or other raw produce, to offer in exchange. Such rich countries being the market to which tends whatever surplus the poorer ones have, it follows that the price must be lower at the place of export than at that to which it is sent. That combination of labour which is necessary to the conversion of flax, or wool, or linen, into clothing, at the least cost of exertion, necessarily takes place first in countries in which population is dense, and capital abundant. Those which are thinly peopled, and in which only the most fertile lands are cultivated, yield but small returns to labour, and the occupants have little time to devote to the fabrication of clothing, while they are deficient in those aids to labour which tend to limit the quantity necessary for that purpose. So soon as it is ascertained that they can obtain it abroad, in exchange for corn, at less cost of labour than is necessary to produce it at home, they export the one and import the other. In all newly settled, or thinly peopled countries, manufactures are higher and corn lower than in old ones; but this is equally true in regard to all

\* Principles of Political Economy, p. 197.

descriptions of raw produce. Silver is cheaper in Mexico—tea in China—tallow in Russia—and sugar in Brazil, than the same articles in New York, yet *in labour* they are *dearer*. A labourer in the United States can command a much larger amount of silver than a Mexican. Mr. Malthus errs from attending invariably to the *money price*, and not to the *labour price* of commodities.

“It has already been shown, that for the very great increase of rents which have taken place in this country during nearly the last hundred years, we are mainly indebted to improvements in agriculture, as profits have rather risen than fallen, and little or nothing has been taken from the wages of families, if we include parish allowances, and the earnings of women and children. Consequently these rents must have been a creation from the skill and capital employed upon the land, and not a transfer from profits and wages, as they existed nearly a hundred years ago.”\*

Here it is admitted that wages have not fallen, but it is not admitted that they have risen. “Profits,” too, it is said, “have rather risen than fallen.” Both have risen, and both must continue to rise. Wages and profits will continue to rise as labour is, by increased capital, rendered more productive. Had Mr. Malthus said, “these rents must have been the creation of the capital employed upon the land—of the judgment displayed by the proprietors in its application, and in holding out to their tenants inducements to improve their farms, thereby sacrificing present and temporary enjoyment, to secure future permanent revenue—and of the capital employed in facilitating the transfer of their products to the place of consumption or exchange,” he would have been perfectly right. This, however, is in decided opposition to his theory. During all this time inferior land has been brought into operation, yet neither wages nor profits have fallen! A law that is untrue for one hundred years, must be equally so for two thousand, or two hundred thousand. During five hundred years his law has proved untrue, and must continue to be so.

“The United States of America seem to be almost the only country, with which we are acquainted, where the present wages of labour and the profits of agricultural stock are sufficiently high to admit of

\* Principles of Political Economy, p. 208.



a considerable transfer to rents without improvements in agriculture. And probably it is only when the skill and capital of an old and industrious country are employed upon a new, rich, and extensive territory, under a free government, and in a favourable situation for the export of raw produce, that this state of things can take place.”\*

Here it appears to be supposed that because profits and wages are high, they are to be reduced for the purpose of causing rents to be paid. We know that both are higher than they were even when Mr. Malthus wrote, and we know also that both are rising with great rapidity. The same state of things has taken place in England, and would have done so to a much greater extent had not commerce been fettered by corn laws.

His error consists in supposing that rent arises from a transfer of product, instead of an increase produced by the aid of capital. The return to labour is augmented, and the owner of the capital receives compensation for the loan of his machine under the name of rent.

“In old states, experience tells us that wages may be extremely low, and the profits of the cultivator not high, while vast tracts of good land remain uncultivated.”†

Experience tells us that in those countries, old and new, in which only the most fertile lands are cultivated, the reward of labour is, invariably, very small. According to the theory, both wages and profits should then be high, yet here it is admitted that both may be low while superior soils remain waste.

The following extract will give the views of Mr. Malthus as to the cause of the fall in the rate of profit that takes place as society advances.

“If, as the powers of labour diminished, the physical wants of the labourer were also to diminish in the same proportion, then the same share of the whole produce might be left to the capitalist, and the *rate* of profits would not necessarily fall. But the physical wants of the labourer remain always the same; and though in the progress of society, from the increasing scarcity of provisions compared with labour, these wants are in general less fully supplied, and the real wages of labour gradually fall; yet it is clear that there is a limit, and probably at no great distance, which cannot be passed. The

\* Principles of Political Economy, p. 210.

† Ibid.

command of a certain quantity of food is absolutely necessary to the labourer in order to support himself, and such a family as will maintain merely a stationary population. Consequently, if poorer lands which required more labour were successively taken into cultivation, it would not be possible for the corn wages of each individual labourer to be diminished in proportion to the diminished produce; a greater proportion of the whole would necessarily go to labour; and the rate of profits would continue regularly falling till the accumulation of capital had ceased.”\*

It appears that as the physical wants of the labourer do not diminish with the reduced power of production, that, *therefore*, he must have an increased quantity. He must have the quantity of food that is “absolutely necessary.” His proportion *must increase with diminished production*, whereas, we have shown that it increases with increased production, and *diminishes with diminished production*. As labour becomes more productive, the power to accumulate capital is increased, and the power of capital to command labour is diminished. Whenever war, or any other occurrence, tends to render labour less productive, the power of accumulation is diminished, and the power of capital to command labour is increased.

The following passage is given as a specimen of the extraordinary results to which his theory has led Mr. Malthus.

“Another most desirable benefit belonging to a fertile soil is, that states so endowed are not obliged to pay much attention to that most distressing and disheartening of all cries to every man of humanity—the cry of the master manufacturers and merchants for low wages, to enable them to find a market for their exports. If a country can only be rich by running a successful race for low wages, I should be disposed to say at once, perish such riches! But, though a nation which purchases the main part of its food from foreigners, is condemned to this hard alternative, it is not so with the possessors of fertile land. The peculiar products of a country, though never probably sufficient to enable it to import a large proportion of its food as well as of its conveniences and luxuries, will generally be sufficient to give full spirit and energy to all its commercial dealings, both at home and abroad; while a small sacrifice of produce, that is, the not pushing cultivation too far, would, with prudent habits

\* Principles of Political Economy, p. 298.

among the poor, enable it to maintain the whole of a large population in wealth and plenty. *Prudential habits, among the labouring classes of a country mainly depending upon manufactures and commerce, might ruin it.* In a country of fertile land, such habits would be the greatest of all conceivable blessings.”\*

Here is another attempt to establish a difference between manufactures and agriculture, but it will bear examination no better than the former. If manufacturers are desirous of low wages, so is the agriculturist. The one desires to obtain his goods cheaply for exchange with the producer of corn, and the other desires to obtain his corn cheaply for exchange with the producer of cotton goods. It is, however, only in countries in which cultivation is confined to the superior soils, that wages do not afford the labourer the means of living comfortably. As the inferior soils are brought into action, wages rise, and afford a daily increasing measure of the comforts of life.

Mr. Malthus, throughout, considers wages and corn with reference to money, and not to the quantity of the latter that can be produced by a given amount of labour. Had he taken that view of it he would have seen that high wages meant the power of obtaining a large amount of corn, or cloth, with a given quantity of labour, and would have avoided the error of supposing that low wages led to wealth. He would not have made the mistake of supposing that ease and comfort could be the result of “not pushing cultivation too far;” had he recollected that a principle must be carried out, and that if ease would be the result of stopping at any given point, greater ease would certainly result from stopping earlier, and that the same rule would warrant giving up cultivation altogether. His remark in regard to the different effect of prudential habits, among the people dependent upon manufactures, from that which would be produced upon agriculturists, is curious, and tends to show how much he was led away by his theory.

The whole of the system of Mr. Malthus is based upon the increasing difficulty of obtaining food, arising out of a supposed scarcity of fertile land, the owners of which are enabled to dictate the terms upon which it shall be occupied. As there is,

\* Principles of Political Economy, p. 235.

however, a vast extent of such land unoccupied, while inferior soils pay rent, it becomes necessary to account for this by ascribing to those lands advantages of situation. When we inquire into these advantages, we find that they arise out of the application of labour. If, then, labour can render the sandy wastes of the Netherlands more productive than the fertile soils of Texas, it is obvious that there can be no difficulty in giving to all other lands the same advantages, and thus causing them to yield a large return. We are told, however, that should this be attempted, labour will meet with a constantly diminishing return; but when we inquire, we find that where it has been done the labourer has had a constantly increasing rate of wages—that the capitalist has found it daily more and more easy to add to his stock—and that any given amount yields him, as cultivation is extended, a constantly increasing quantity of commodities.

In support of the idea of the constantly diminishing productiveness of labour, we are told that the capitalist obtains a diminished *proportion* of the fruits of labour. We find, however, that this does not imply an increased difficulty of obtaining productive land, but a steady increase in the facility of doing so. The former would be attended by an increase in the value of the capital accumulated in past times when compared with the labour of present times, whereas, it bears a constantly decreasing value, accompanied by a decreasing power of commanding interest for its use, proving that *present* labour is more productive.

When the land last taken into cultivation is rich, capital is said to be scarce and profits to be high. If the last land be rich, that previously cultivated must have been richer, and labour should have been productive, facilitating the accumulation of capital. If profits diminish in going from No. 2 to No. 3, they must equally diminish in going from No. 1 to No. 2; and if capital has not been accumulated while only No. 1 was cultivated, what hope can there be that improvement will take place when obliged to use No. 2. In opposition to all this, we see that in England there has been a steady progress from No. 2 to No. 3, and from No. 3 to No. 4, not only without a diminution of wages and profits, but with a constant increase.

In looking around him, Mr. Malthus sees that in some

countries where population is limited, and "where vast tracts of good land remain uncultivated, wages may be extremely low, and the profits of the cultivator not high." This is in direct opposition to his doctrine, that wages and profits must both be high when only the most fertile lands are cultivated. He finds that even "the rich countries of India and South America" are in this condition, and attributes it to "indifferent cultivation." If, however, every successive application of labour, either in rendering fertile soils more productive, or in bringing into cultivation those of an inferior quality, be attended with a diminished return to labour and capital, is it not obvious that such must continue to be the case in those countries? If fertile lands will not give them high wages and high profits, can they ever expect to have them when every new exertion must be attended with diminished return? Certainly not!

To support this doctrine it is necessary to find new reasons for each case, and that which may account for one, is in direct opposition to another. How different is the case when we reject the idea of value in *land*, and find it in the *labour* applied to its improvement! Every difficulty then vanishes. We find present labour and capital increasing in value when compared with those of past times, giving increased wages and profits, as we know them to exist. We find the people of India, and of South America, with abundance of fertile land, obtaining but small returns to labour, while the people of the United States, of Great Britain, and of the Netherlands, obtain large returns from lands of inferior quality, because aided by capital.

## CHAPTER XII.

## REVIEW. MR. RICARDO.

WE proceed now to an examination of the causes of value in land as stated by Mr. Ricardo, and give nearly all that he has said on the subject, in order that the reader may be fully in possession of his views,

“Rent is that portion of the produce of the earth, which is paid to the landlord for the use of the original and indestructible powers of the soil. It is often, however, confounded with the interest and profit of capital, and in popular language the term is applied to whatever is annually paid by a farmer to his landlord. If, of two adjoining farms of the same extent, and of the same natural fertility, one had all the conveniences of farming buildings, and, besides, were properly drained and manured, and advantageously divided by hedges, fences, and walls, while the other had none of these advantages, more remuneration would naturally be paid for the use of one, than for the use of the other; yet in both cases this remuneration would be called rent. But it is evident, that a portion only of the money annually to be paid for the improved farm, would be given for the original and indestructible powers of the soil; the other portion would be paid for the use of the capital which had been employed in ameliorating the quality of the land, and in erecting such buildings as were necessary to secure and preserve the produce. \* \* \* \* Whenever I speak of the rent of land, I wish to be understood as speaking of that compensation, which is paid to the owner of land for the use of its original and indestructible powers.”\*

Here it is distinctly stated that it is for the use of the “original and indestructible powers of the soil,” that rent is paid. Fertility alone is the cause of exchangeable value, and there is no admixture of advantages of situation, fatal as they would be to the whole theory.

“Adam Smith sometimes speaks of rent, in the strict sense to which I am desirous of confining it, but more often in the popular sense, in

\* Ricardo's Political Economy, Chapter II.

which the term is usually employed. He tells us, that the demand for timber, and its consequent high price, in the more southern countries of Europe, caused a rent to be paid for forests in Norway, which could before afford no rent. Is it not however evident, that the person who paid, what he thus calls rent, paid it in consideration of the valuable commodity which was then standing on the land, and that he actually repaid himself with a profit, by the sale of the timber? If, indeed, after the timber was removed, any compensation were paid to the landlord for the use of the land, for the purpose of growing timber or any other produce, with a view to future demand, such compensation might justly be called rent, because it would be paid for the productive powers of the land; but in the case stated by Adam Smith, the compensation was paid for the liberty of removing and selling the timber, and not for the liberty of growing it. He speaks also of the rent of coal mines, and of stone quarries, to which the same observation applies—that the compensation given for the mine or quarry, is paid for the value of the coal or stone which can be removed from them, and has no connexion with the original and indestructible powers of the land. This is a distinction of great importance, in an inquiry concerning rent and profits; for it is found, that the laws which regulate the progress of rent, are widely different from those which regulate the progress of profits, and seldom operate in the same direction.”\*

The man who was paid for the right of cutting forests in Norway received his rent for fifty years in one payment. For that period he had paid taxes on his land, had contributed to the making of roads and other improvements, and, instead of obtaining an annual crop, he received in one payment the value of that of fifty, or one hundred, years. It is a matter of daily occurrence that wood-land, in New Jersey, changes hands from year to year, at a price regularly increasing with the growth of timber, until at length harvest time arrives and the land falls in price, to rise again in the course of the next twenty, thirty, or forty years. If there be any objection to this as rent, it must equally apply to a crop of onions requiring two years to arrive at maturity. If any land were capable of producing that vegetable only, it would be found that its exchangeable value was constantly rising as harvest time approached, to fall as suddenly as pine land, when the crop had been taken.

\* Ricardo's Political Economy, Chapter II.

Some timber is fit to cut in thirty years, while other lands require a century to renew themselves, giving to the proprietor but a centennial crop. In the case of coal mines and of stone quarries, five, or even ten, centuries may be required to prepare to reap the harvest, during the whole of which period, capital has been expending in the preparation therefor. During all that time the land may have borne a value regularly increasing with the expenditure and with the approach of harvest, as is the case with land occupied by wheat, onions, or timber. At length the time arrives, and the proprietor reaps the reward to which his previous expenditure entitles him. There appears to us no difference, but Mr. Ricardo says that the two operations are very different, and that the coal, or stone, has no connexion with the original and indestructible powers of the soil.

What are indestructible powers? The most fertile soil, if not renewed, will have its powers destroyed. In Virginia, the best land has been cropped until it is entirely worthless. Had a good system of cultivation been pursued, it might now be of great value, and might yet be rendered so, but to what would those powers of production be due? To the original and indestructible powers, or to the manure—to the labour—to the capital—employed upon it? In the case of coal or granite, if the course of the owner resemble that generally pursued in Virginia, taking successive crops without returning a part of the proceeds, the powers of the soil become exhausted, and the land is valueless; but, if a portion of the proceeds of the coal be appropriated to sinking deeper shafts, new powers are discovered, giving the owner a property constantly increasing in value, as has been the case in England.

Let the reader examine the course of a crop of wheat, during the eight or nine months that it occupies the soil—of a crop of onions during the two years—of a crop of pine trees, for thirty or forty years—of a crop of oaks, during a century—of a crop of coal, for five or ten centuries, and he will find it precisely the same. All the lands thus occupied attain a value from the labour bestowed upon them; all have a constantly increasing value up to the time of harvest, and all fall suddenly when the cause of value is withdrawn. The value of coal land cannot change more suddenly than that of pine land, which falls, when



the crop is off, to a merely nominal price, not exceeding 25 cents per acre. The man who gives that price for it expects to obtain, at the end of thirty years, a rent that will replace his capital, with interest, and some reward for his attention, while another who gives a hundred, or a thousand, dollars for an acre of coal land, expects to receive a yearly return for a certain time, at the expiration of which he may, by sinking one hundred or two hundred feet, find a new crop prepared for his use.

"On the first settling of a country, in which there is an abundance of rich and fertile land, a very small portion of which is required to be cultivated for the support of the actual population, or indeed can be cultivated with the capital which the population can command, there will be no rent: for no one would pay for the use of land, when there was an abundant quantity not yet appropriated, and therefore at the disposal of whosoever might choose to cultivate it.

"On the common principles of supply and demand, no rent could be paid for such land, for the reason stated, why nothing is given for the use of air and water, or for any other of the gifts of nature which exist in boundless quantity. With a given quantity of materials, and with the assistance of the pressure of the atmosphere, and the elasticity of steam, engines may perform work, and abridge human labour to a very great extent; but no charge is made for the use of these natural aids, because they are inexhaustible, and at every man's disposal. In the same manner the brewer, the distiller, the dyer, make incessant use of the air and water for the production of their commodities; but as the supply is boundless, it bears no price. If all land had the same properties, if it were boundless in quantity, and uniform in quality, no charge could be made for its use, unless where it possessed peculiar advantages of situation. It is only then because land is not unlimited in quantity and uniform in quality, and because in the progress of population, land of an inferior quality, or less advantageously situated, is called into cultivation, that rent is ever paid for the use of it. When, in the progress of society, land of the second degree of fertility is taken into cultivation, rent immediately commences on that of the first quality, and the amount of that rent will depend on the difference in the quality of these two portions of land."\*

Here Mr. Ricardo finds himself compelled to bring into view

\* Ricardo's Political Economy, Chapter II.

advantages of situation, although a moment before he had said that he was always to be understood, in speaking of rent, to speak of that compensation paid to the owner of the land for the use of its "original and indestructible powers." Advantages of situation are neither original nor indestructible. The *natural* advantages of the site of Carthage, of Alexandria, of Venice, are as great now as at any former period, but they cannot command rents, nor have they value. The *natural* advantages of Liverpool, of New York, and New Orleans, are no greater now than they were five centuries since, when the places occupied by them were totally valueless. The natural advantages of Bristol are not less than they were, nor are those of Liverpool greater, yet trade has left the former to go to the latter. The site of St. Petersburg was a marsh, but the will of Peter the Great gave it value, and it now commands rent, as does the land which surrounds it. While labour and capital were employed in Carthage, Alexandria, and Venice, they were valuable, but that value is transferred to the cities of those countries where labour is most advantageously employed—where capital accumulates—and where the inferior soils are cultivated—the United States and England.

Rent is said to be paid, "because land is not unlimited in quantity and uniform in quality." It is *practically* unlimited in quantity, because a large portion of the globe is almost unoccupied, and the most fertile soils are without price. Of those that are occupied, the major part are not worked to one tenth of their powers. Land is unlimited in quantity, but rent is paid for it because it possesses advantages of situation, arising out of the employment of capital. If all the lands of the world were equal in quality to those of Illinois, those of the neighbourhood of London would command as large a rent as at present, while those of Illinois and Texas might still be had almost for the trouble of taking possession of them. The application of a sufficient amount of capital will give to any land whatever, "advantages of situation."

"When land of the third quality is taken into cultivation, rent immediately commences on the second, and it is regulated as before, by the difference in their productive powers. At the same time, the rent of the first quality will rise, for that must always be above the

rent of the second, by the difference between the produce which they yield with a given quantity of capital and labour. With every step in the progress of population, which shall oblige a country to have recourse to land of a worse quality, to enable it to raise its supply of food, rent, on all the more fertile land, will rise.

"Thus suppose land—No. 1, 2, 3,—to yield, with an equal employment of capital and labour, a net produce of 100, 90, and 80 quarters of corn. In a new country, where there is an abundance of fertile land compared with the population, and where, therefore, it is only necessary to cultivate No. 1, the whole net produce will belong to the cultivator, and will be the profits of the stock which he advances. As soon as population had so far increased as to make it necessary to cultivate No. 2, from which ninety quarters only can be obtained after supporting the labourers, rent would commence on No. 1; for either there must be two rates of profit on agricultural capital, or ten quarters, or the value of ten quarters must be withdrawn from the produce of No. 1, for some other purpose. Whether the proprietor of the land, or any other person, cultivated No. 1, these ten quarters would equally constitute rent; for the cultivator of No. 2 would get the same result with his capital, whether he cultivated No. 1, paying ten quarters for rent, or continued to cultivate No. 2, paying no rent. In the same manner it might be shown that when No. 3 is brought into cultivation, the rent of No. 2 must be ten quarters, or the value of ten quarters, whilst the rent of No. 1 would rise to twenty quarters; for the cultivator of No. 3 would have the same profits whether he paid twenty quarters for the rent of No. 1, ten quarters for the rent of No. 2, or cultivated No. 3 free of all rent.

"It often, and indeed commonly happens, that before No. 2, 3, 4, or 5, or the inferior lands are cultivated, capital can be employed more productively on those lands which are already in cultivation. It may perhaps be found, that by doubling the original capital employed on No. 1, though the produce will not be doubled, will not be increased by 100 quarters, it may be increased by eighty-five quarters, and that this quantity exceeds what could be obtained by employing the same capital on land No. 3.

"In such case, capital will be preferably employed on the old land, and will equally create a rent; for rent is always the difference between the produce obtained by the employment of two equal quantities of capital and labour. If, with a capital of £1000, a tenant obtain 100 quarters of wheat from his land, and by the employment of

a second capital of £1000, he obtain a further return of eighty-five, his landlord would have the power at the expiration of his lease, of obliging him to pay fifteen quarters, or an equivalent value, for additional rent; for there cannot be two rates of profit. If he is satisfied with a diminution of fifteen quarters in the return for his second £1000, it is because no employment more profitable can be found for it. The common rate of profit would be in that proportion, and if the original tenant refused, some other person would be found willing to give all which exceeded that rate of profit to the owner of the land from which he derived it.

"In this case, as well as in the other, the capital last employed pays no rent. For the greater productive powers of the first £1000, fifteen quarters is paid for rent; for the employment of the second £1000, no rent whatever is paid. If a third £1000 be employed on the same land, with a return of seventy-five quarters, rent will then be paid for the second £1000, and will be equal to the difference between the produce of these two, or ten quarters; and at the same time the rent of the first £1000 will rise from fifteen to twenty-five quarters; while the last £1000 will pay no rent whatever."\*

Here the advantages of situation are no longer referred to, and we come back to the legitimate doctrine that "with every step in the progress of population, which shall oblige a nation to have recourse to land of a worse quality, to enable it to raise its supply of food, rents on all the *more fertile* land will rise."

This is very plausible, but facts are opposed to it. No man will cultivate No. 2, yielding only 90 quarters, when he has been accustomed to receive 100 quarters for the same quantity of labour, unless when wages are falling. The correctness of the theory is easily tested by ascertaining if a given quantity of labour be now as productive of raw produce as in former times. It is difficult to imagine how any man, having before him the fact of the daily diminishing proportion of the population of England that is required to produce food to supply the greatly increased consumption, could for a moment believe in its correctness. In the United States the proportion of population employed in its production is diminishing in like manner, because the same amount of labour produces a constantly increas-

\* Ricardo's Political Economy, Chapter II.

ing return, the effect of which is to permit a constantly increasing *proportion* to employ themselves in the production of cotton, tobacco, hemp, wool, and in manufactures of all kinds.

If a man took a farm and employed upon it £1000, yielding him 100 quarters, the owner would make him pay rent, if the 100 quarters were more than he was fairly entitled to receive as return for the labour and capital employed. In any case in which that has not been done, it is to be supposed that such a return was absolutely necessary to induce him to cultivate the land, rent free, and thus indicated the usual rate of wages and of profit. Such being the case, would any man employ an additional £1000 when it yielded him only 85 quarters? Certainly not, unless there had been a universal fall of wages and of profits, which we have shown not to have been the case. He could do so, without a fall in either, when a road had been made to his farm, enabling him to obtain as large a reward for his labour and capital from land yielding 85 quarters, as he had previously received from that which yielded 100; or when the facility afforded by that road enabled him to obtain supplies of lime, or of manure, that would cause that inferior land to yield 100 quarters. When it cost six, seven, or eight dollars, per barrel, to send flour to market from Pittsburg, it has been sold in that place as low as \$1 25 per barrel. At that time none but the most fertile soils could be cultivated, and even they were of little value. At the present time a canal and rail road enable the owners to send their produce to market at greatly diminished cost, the consequence of which is that it sells in Pittsburg at a price very little inferior to that of Philadelphia. Land No. 2, and No. 3, may now pay rent, yielding much larger wages and returns to capital, than could in 1820 be obtained from the most fertile soils. Mr. Ricardo supposes that the necessity for the cultivation of inferior soils precedes the power of doing so with advantage, whereas in the United States and in England the *power of doing so without a fall of either wages or profits greatly precedes the necessity, and will be so wherever capital is permitted to accumulate*, and is not wasted on armies and navies. The great difficulty in the United States is to obtain population fast enough to perform works of improvement yielding full wages and profits.

The unanswerable objection to the whole theory is, however, that where only the most fertile soils are cultivated, the proportion claimed as rent is large, and the labourer's share is small. It is there that men are held in bondage to compel them to pay it—it is there that men are poor and miserable—and it is precisely as population increases, and as cultivation is extended over inferior soils, that the proportion of the landlord diminishes, and that the labourer becomes free and independent, and is enabled to live as becomes a man.

“If, then, good land existed in a quantity much more abundant than the production of food for an increasing population required, or if capital could be indefinitely employed without a diminished return on the old land, there could be no rise of rent; for rent invariably proceeds from the employment of an additional quantity of labour with a proportionally less return.

“The most fertile, and most favourably situated land will be first cultivated, and the exchangeable value of its produce will be adjusted in the same manner as the exchangeable value of all other commodities, by the total quantity of labour necessary in various forms, from first to last, to produce it, and bring it to market. When land of an inferior quality is taken into cultivation, the exchangeable value of raw produce will rise, because more labour is required to produce it.”\*

Here we have, again, “advantages of situation.” In the United States good land exists in a quantity more abundant than the production of food requires: so much so, that an immense portion of it is employed in producing cotton, tobacco, and hemp. Capital is employed not only not at a diminishing rate, but at an increasing one, as it is also in England, and yet houses, lots, and lands, are high, yielding a constantly increasing quantity of commodities in return for permitting them to be used.

“The exchangeable value of all commodities, whether they be manufactured, or the produce of the mines, or the produce of land, is always regulated, not by the less quantity of labour that will suffice for their production under circumstances highly favourable, and exclusively enjoyed by those who have peculiar facilities of production; but by the greater quantity of labour necessarily bestowed on their

production by those who have no such facilities; by those who continue to produce them under the most unfavourable circumstances; meaning—by the most unfavourable circumstances, the most unfavourable under which the quantity of produce required renders it necessary to carry on the production.”\*

The exchangeable value of all commodities is regulated by the cost of that portion required to be produced under the most unfavourable circumstances, but no one will continue to produce any commodity, unless it will yield him the ordinary wages and the ordinary profits of the capital he is required to employ. If the wants of mankind made it necessary to extend the cultivation of corn over inferior land more rapidly than capital could be applied to facilitate its production, or transportation, there would be a constantly diminishing rate of wages, attended by a constantly diminishing proportion of labour applied to the production of other articles; but if the facilities increased more rapidly than the wants, there would be a constantly increasing return to labour, a constantly increasing rate of wages, and a constantly increasing proportion of labour applied to the production and preparation of cotton, silk, and other necessities or conveniences of life. The reader may judge for himself which of these is now going on.

The less advantageous circumstances referred to by Mr. Ricardo, are want of fertility, or of advantages of situation. *Every country which supplies the world with any commodity, produces it under the least advantages of situation.* When the United States exported flour to Europe, to the West Indies, and to South America, their advantages of situation were least, because most distant from the market. They were then in the same situation in regard to the great market, that the valley of the Mississippi is at present in regard to New York, Boston, and Philadelphia, to which its products are sent. At the present moment, the advantages of situation possessed by the United States in regard to wheat, are greater than those of any country in the world, because the labour employed in the production of other commodities has increased to so great an extent, that not only do they consume all they can raise, but

\* Ricardo's Political Economy, Chapter II.

prices are so high that they import grain from England, Ireland, and the North of Europe. Mexico and Peru enjoy the least "advantages of situation" for the production of silver, because remote from the great market for their commodity. The same quantity produced in the United States, or Great Britain, would yield to the producers a much larger quantity of other commodities in return for their labour. Every country may obtain those advantages, by pursuing such a course as will permit capital to accumulate. It is first employed in those aids to labour which diminish the number of persons required to produce articles of the first necessity, as corn. It is then applied to the production of other articles, and to the manufacture of that produce in the various ways required by the means and taste of the people, by which the market is brought home to the producer, giving him "advantages of situation."

*Those advantages consist in the diminished necessity, or diminished cost of transporting the products of labour for the purpose of effecting exchanges.* The farmers living near a large city exchange all their productions directly with the consumer, while those who live near a village are obliged to send a large portion of them to a distance. The establishment of a grist mill in a neighbourhood benefits the land by facilitating the exchange of wheat for flour, and that of a cotton mill renders it much easier to convert eggs and butter into cloth. Ireland being compelled to send her grain to England, wants advantages of situation, whereas, if peace and security existed and capital accumulated, manufactures would be established there, as in England, and her products would be consumed on the spot, by which the transport would be saved.

"It is true, that on the best land, the same produce would still be obtained with the same labour as before, but its value would be enhanced in consequence of the diminished returns obtained by those who employed fresh labour and stock on the less fertile land. Notwithstanding then, that the advantages of fertile over inferior lands are in no case lost, but only transferred from the cultivator, or consumer, to the landlord, yet since more labour is required on the inferior lands, and since it is from such land only that we are enabled to furnish ourselves with the additional supply of raw produce, the comparative value of that produce will continue permanently above



its former level, and make it exchange for more hats, cloth, shoes, &c., &c., in the production of which no such additional quantity of labour is required.”\*

We trust it is unnecessary to say any thing further in relation to the reduced returns to labour and capital here referred to, and will, therefore, confine ourselves to what is said in regard to the different effects produced upon hats, and shoes.

If wages in corn rise, they must also rise in wool, and in all other articles of home produce, because no man will continue to raise sheep, unless he can be as well paid for his labour as in the production of corn. Wool being the principal raw material used in coarse hats, we find, by the prices of the Greenwich Hospital, that the change in relation between labour and hats, has been nearly the same as between labour and corn.

In all coarse articles, where the chief cost is the raw material, and that produced at home, the change must have been nearly the same as that above given. Cotton has fallen more in price because cultivated by a different people, whose aids to labour give them greater advantages for its cheap production than were possessed by those by whom the market was formerly supplied. The tendency of luxuries to fall more rapidly than necessities, is readily explained. In the infancy of communities attention is chiefly paid to securing a supply of the articles of absolute necessity—corn and wool. Machinery is first applied to secure the largest return to labour in those commodities, and before manufactures rise there must have been considerable improvement in agriculture, as the former cannot flourish until the latter has become productive. Machinery is now applied to the conversion of wool into cloth, and with the advantage arising out of the diffusion of intelligence, and growth of capital, it might make as much progress in a century as agriculture did in two centuries. The demand for cotton wool, increasing with the improved machinery, becomes such as to induce more attention to improvements in the mode of cultivation, and it goes rapidly forward. The increased means of the community now

\* Ricardo's Political Economy, Chapter II.

induce attention to the manufacture of silk, which participates in the changes accomplished in that of cotton, and the demand becomes such as leads to improvements in its cultivation, tending to reduce greatly the cost of production. We entertain little doubt that the labour will be so far diminished as to bring silk within the reach of almost every member of the community. The value of labour rises steadily in regard to all commodities, but more rapidly in proportion as they are of finer quality, or require more attention in manufacture, because each improvement increases the means of purchasing something more expensive than has yet been used by the mass of the community, and induces the application of capital to its production, when the change is rapid.

If we wish to trace the progress of improvement in England, we may do so by taking the several countries of the world, in their various stages of advancement, or by examining what would be the course of any one at the present time. Were the people of Poland supplied with capital, they would apply it to the making of roads, to the improvement of their agricultural implements, and to the increase of their stock. When production had so far increased as to enable the labourer to obtain a liberal reward for his labour, his demands for *manufactured commodities of the coarser descriptions*, would warrant the investment of capital to aid in their production. He would still import the finer articles from England, giving to that country an increased demand for labour of a superior description. The increased application of capital to the production of those finer commodities would tend to diminish materially their cost, and to facilitate the acquisition of them. The tendency would be to withdraw English labour from the production of raw materials, which would rise *in price*, although the labour of the workman in England would command daily an increasing quantity thereof. Capital would increase rapidly in Poland, and would be applied to the production of goods of a higher quality, but the ability to do this would produce an increased demand upon England for commodities of a still higher order, tending to further reduction in the cost at which they were produced. Such has been the growth of improvement in every

country of the world, as the reader may satisfy himself upon examination.\*

“The reason then, why raw produce rises in comparative value, is because more labour is employed in the production of the last portion obtained, and not because a rent is paid to the landlord. The value of corn is regulated by the quantity of labour bestowed on its production on that quality of land, or with that portion of capital, which pays no rent. Corn is not high because a rent is paid, but a rent is paid because corn is high; and it has been justly observed, that no reduction would take place in the price of corn, although landlords should forego the whole of their rent. Such a measure would only enable some farmers to live like gentlemen, but would not diminish the quantity of labour necessary to raise raw produce on the least productive land in cultivation.”†

Rent cannot be foregone. It is the interest of capital. If the owner think proper to relinquish it to a tenant, and allow him to occupy the land rent free, it is exactly as if the owner of a ship should allow it to be used without the payment of freight, or the proprietor of bank stock should omit to take his dividends. The farmer would sell his produce, and the shopkeeper his merchandise, at the same prices as if they paid rent, and the bank would not do business on better terms for its customers than if the stockholders received their dividends regularly.

Rent is not paid because corn is high. The largest rents are paid when a given quantity of labour will yield the most corn, and of course when that commodity is lowest. When the labour price of corn is high, the owner of land holds man in slavery to compel him to pay taxes under the name of rent.

\* Nothing can be more absurd than the apprehension expressed in the newspapers, and even in the parliamentary reports, of England, of the growth of the coarser manufactures of the United States, and of the continent of Europe. The more rapid the increase of the production of coarse commodities, the more rapid must be the demand upon Great Britain for those luxuries which require superior ability in their preparation. The labour required for such commodities is less severe and better paid, and the change, while it tends to improve the minds and elevate the tastes of the workmen, tends also to give them increased means of gratifying their desires. Every improvement in the quality of labour tends to render men better husbands—better fathers—better citizens.

† Ricardo's Political Economy, Chapter II.

“When land is most abundant, when most productive, and most fertile, it yields no rent; and it is only when its powers decay, and less is yielded in return for labour, that a share of the original produce of the more fertile portions is set apart for rent.”\*

Good land abounds in the United States; “*it exists in a quantity much more abundant than the production of food for an increasing population requires;*” and yet the inferior lands pay rent. Indiana, Illinois, Michigan, Alabama, and Mississippi, offer lands not exceeded in the world for fruitfulness, and yet the sandy lands of New Jersey sometimes sell for one hundred dollars per acre, because they are near Philadelphia, or New York. In like manner, lands near Boston, and Baltimore, and Pittsburg, and Cincinnati, command high prices because large capitals are there employed, giving a market for their products. The new lands afford vastly greater returns to the seed that is sown, and yet that which would yield, in Illinois, almost without the labour of ploughing, thirty or forty bushels to the acre, is not worth one fifth as much as that in the State of New Jersey, which, without careful husbandry and abundance of manure, would not yield a single bushel. In the colony of Western Australia, where land is abundant, the owners claim as rent a very large portion of the produce.

“The rise of rent is always the effect of the increasing wealth of the country, and of the difficulty of providing food for its augmented population. It is a symptom, but it is never a cause of wealth; for wealth often increases most rapidly while rent is either stationary, or even falling. Rent increases most rapidly, as the disposable land decreases in its productive powers. Wealth increases most rapidly in those countries where the disposable land is most fertile, where importation is least restricted, and where, through agricultural improvements, productions can be multiplied without any increase in the proportional quantity of labour, and where, consequently, the progress of rent is slow.”†

We see that as corn rents rise food is more readily obtained, and that the faster they rise the more rapid is the improvement in the condition of the consumer.

If the productiveness of the soil were daily decreasing, all lands would pay rent, and the *proportion of the produce paid*,

\* Ricardo's Political Economy, Chapter II.

† Ibid.

would constantly increase. If the encroachments of the ocean were constantly reducing the soil of Great Britain, and the population were constantly increasing, without any other means of obtaining food, the time would arrive when the labourer would be obliged to content himself with a handful of grain for his day's labour, as the Hindoo now does. The capital invested in improvements on land, is subject to the same laws as capital of every other kind. When mills are scarce, they command a high rent—when money is scarce, it commands high interest—when ships are scarce, they command high freights—and when improved land is scarce, the occupant is willing to increase the share allotted to the owner. If the people of the United States were, from any cause, unable to increase the number of their ships, the owners would have it in their power to demand higher freights. A rise of rent from diminished production would be attended by the power to claim an *increased proportion* of the produce, but a rise from increased production is accompanied by the payment of a diminished proportion to the landlord. In the former case the situation of landlords and tenants would be deteriorated, in the latter it is improved.

No country possesses a greater body of fertile land than the United States—in none has wealth increased so rapidly—in none has *the value of land* and its *consequent rent* increased so fast. Next to the United States, in all these respects, is England. It would appear almost absurd to say that where wealth increased *most* rapidly, there the value of land increased *least* rapidly, and yet that is the proper deduction from the text. Rent is but the sign of value.

“It follows from the same principles, that any circumstances in the society which should make it unnecessary to employ the same amount of capital on the land, and which should therefore make the portion last employed more productive, would lower rent.”\*

Any circumstances in any society which should lessen the demand for houses, mills, ships, or coal mines, would lessen their value and diminish the rent that could be claimed by the owner. It has been shown† that “the portion last employed” is more productive—and that even the *rate of interest* has increased

\* Ricardo's Political Economy, Chapter II.

† *Ante*, page 91.

in England for one hundred years past, yet rents have constantly increased. The demand for corn has increased with increase of production.

"If a million of quarters of corn be necessary for the support of a given population, and it be raised on land of the qualities of No. 1, 2, 3; and if an improvement be afterwards discovered by which it can be raised on No. 1 and 2, without employing No. 3, it is evident that the immediate effect must be a fall of rent; for No. 2, instead of No. 3, will then be cultivated without paying any rent; and the rent of No. 1, instead of being the difference between the produce of No. 3 and No. 1, will be the difference only between No. 2 and 1. With the same population, and no more, there can be no demand for any additional quantity of corn; the capital and labour employed on No. 3, will be devoted to the production of other commodities desirable to the community, and can have no effect in raising rent unless the raw material from which they are made cannot be obtained without employing capital less advantageously on the land, in which case No. 3 must again be cultivated."\*

Rent is deemed to arise so entirely from the difficulty of obtaining food, that if, by any improvement in the mode of cultivation, No. 1 and No. 2 can be made to supply the demand, the value of all land will fall, although No. 3 should be applied to the production of cotton, yielding as much to the owner as if it had been employed in producing corn! Practically, this is occurring every day, and yet rents rise! There is a constant *diminution in the proportion* of population and of land required to furnish food, and *increase in the proportion* that can employ themselves in the production of wool, cotton, and tobacco; but the more rapid the reduction in the former, the more rapid is the rise of rent.

Mr. Ricardo's great error consists in supposing rapid changes of production, without a corresponding change of consumption. All improvements of the one are gradual and attended by increased power and disposition for the other. Every year sees new land taken into cultivation in both England and the United States, and every year sees the wages of labour advance. That of 1836 must therefore be more productive than was that of 1835, or 1834, because aided by greater capital. Every

successive body of land in both countries is more productive than were those which preceded it when they were taken into cultivation, and yet rents not only do not fall, but they rise.

"If, by the introduction of the turnip husbandry, or by the use of a more invigorating manure, I can obtain the same produce with less capital, and without disturbing the difference between the productive powers of the successive portions of capital, I shall lower rent; for a different and more productive portion will be that which will form the standard from which every other will be reckoned. If, for example, the successive portions of capital yielded 100, 90, 80, 70; whilst I employed these four portions, my rent would be 60, or the difference between

$$\begin{array}{rcl}
 70 \text{ and } 100 = 30 \\
 70 \text{ and } 90 = 20 \\
 70 \text{ and } 80 = 10 \\
 \hline
 60
 \end{array}
 \left. \vphantom{\begin{array}{r} 70 \\ 70 \\ 70 \end{array}} \right\} \begin{array}{l} \text{whilst the produce} \\ \text{would be } 340 \end{array}
 \left\{ \begin{array}{r} 100 \\ 90 \\ 80 \\ 70 \\ \hline 340 \end{array} \right.$$

and while I employed these portions, the rent would remain the same, although the produce of each should have an equal augmentation. If, instead of 100, 90, 80, 70, the produce should be increased to 125, 115, 105, 95, the rent would still be 60, or the difference between

$$\begin{array}{rcl}
 95 \text{ and } 125 = 30 \\
 95 \text{ and } 115 = 20 \\
 95 \text{ and } 105 = 10 \\
 \hline
 60
 \end{array}
 \left. \vphantom{\begin{array}{r} 95 \\ 95 \\ 95 \end{array}} \right\} \begin{array}{l} \text{whilst the produce} \\ \text{would be increased} \\ \text{to } 440 \end{array}
 \left\{ \begin{array}{r} 125 \\ 115 \\ 105 \\ 95 \\ \hline 440 \end{array} \right.$$

But with such an increase of produce, without an increase of demand, there could be no motive for employing so much capital on the land; one portion would be withdrawn, and consequently the last proportion of capital would yield 105 instead of 95, and rent would fall to 30, or the difference between

$$\begin{array}{rcl}
 105 \text{ and } 125 = 20 \\
 105 \text{ and } 115 = 10 \\
 \hline
 30
 \end{array}
 \left. \vphantom{\begin{array}{r} 105 \\ 105 \end{array}} \right\} \begin{array}{l} \text{whilst the produce would be still} \\ \text{adequate to the wants of the po-} \\ \text{pulation, for it would be } 345 \\ \text{quarters, or} \end{array}
 \left\{ \begin{array}{r} 125 \\ 115 \\ 105 \\ \hline 345 \end{array} \right.$$

the demand being only for 340 quarters."\*

If all ships were *suddenly* increased to double their produc-

tive power, their value, and consequent rent, would fall: cotton mills, under the same circumstances, would fall in value. Every species of capital would find the same result as is here attributed, by Mr. Ricardo, to land. Yet the capacity of all ships, and cotton mills, and land, has been greatly increased, and will be so much so as to give a double product for the labour employed, without such fall. If we have a right to suppose a sudden increase in the productive powers of land, we have also a right to suppose an equally sudden one in population and consumption.

Until Whitney enabled the planter to clean it, the production of cotton was small, and its consumption limited. Since then there has been a succession of improvements, tending to lessen the cost, but with the reduction of price in the market, there has been an increase of demand. It has appeared, indeed, almost impossible for production to keep pace therewith, notwithstanding the United States, which produced in 1784 only eight bales, now furnish a million and a half of bales.

“ But there are improvements which may lower the relative value of produce without lowering the corn rent, though they will lower the money rent of land. Such improvements do not increase the productive powers of the land, but they enable us to obtain its produce with less labour. They are rather directed to the formation of the capital applied to the land, than to the cultivation of the land itself. Improvements in agricultural implements, such as the plough and the threshing machine, economy in the use of horses employed in husbandry, and a better knowledge of the veterinary art, are of this nature. Less capital, which is the same thing as less labour, will be employed on the land; but to obtain the same produce, less land cannot be cultivated. Whether improvements of this kind, however, affect corn rent, must depend on the question, whether the difference between the produce obtained by the employment of different portions of capital be increased, stationary, or diminished. If four portions of capital, 50, 60, 70, 80, be employed on the land, giving each the same results, and any improvement in the formation of such capital should enable me to withdraw 5 from each, so that they should be 45, 55, 65, and 75, no alteration would take place in the corn rent; but if the improvements were such as to enable me to make the whole saving on the largest portion of capital, that portion which is least productively employed, corn rent would immediately fall, because the difference



between the capital most productive and the capital least productive would be diminished ; and it is this difference which constitutes rent.”\*

Mr. Ricardo forgets that the capital thus disengaged would be seeking employment, and that the man who had used it would desire to turn his attention to some other pursuit. If three men and three portions of capital could supply all the corn, one man and one portion of capital could be employed in manufacturing some article not previously produced. Production would be increased, the property would, by the establishment of the manufacture, acquire greater *advantages of situation* from the increased facility of exchanging its products, and wages and rents would both rise. *It is precisely this operation that has given to all the land of England those advantages of situation which enable the cultivators to pay, as rent, for a single acre of “inferior soil,” as much as would purchase a dozen acres of the most fertile land in Texas.* The producers of wheat in the United States enjoy great “advantages of situation,” from the extension of the cultivation of cotton, and from the establishment of manufactures, by which they are enabled, at small cost of transportation, to exchange their products for the commodities they desire to obtain. The producers of cotton will, at some future period, enjoy advantages of situation, from the establishment of manufactures among them, enabling them readily to obtain clothing. If all the people of the United States were employed in raising wheat, they would be compelled to pay the expense of transporting it to Europe for exchange; but the increased productiveness of labour applied to cultivation enables them to transfer a large portion of their powers to other pursuits, and *with every such transfer there is an increase in the value of property—in the value of its products—in the rent of the landlord—and in the wages of the cultivator.* Every difficulty interposed in the way of producing any commodity lessens the value of labour and capital employed in its production, and every increase of facility raises the wages of the labourer and the profits of the capitalist. This is equally true whether the difficulty arises from want of knowledge, or from legislative restrictions. The former, however, is removed gradually—the latter may be removed suddenly, when the

\* Ricardo's Political Economy, Chapter II.

effect upon the capitalist is equally sudden, annihilating the whole of that capital which is least productive, and diminishing the revenue that the owner of the other portion should receive. The commodity falls in its labour value—the labourers claim a larger proportion of the product—but the destruction of capital which takes place tends to lessen the demand for labourers and the reward of all labour.

Foreign iron is subject to a duty of thirty dollars per ton, on importation into the United States. Were that duty abolished, the price of iron would probably be twenty dollars less than at present, and the labourer who desired to purchase it would obtain a larger quantity in exchange for a given amount of labour. A sudden change would, however, almost annihilate the manufacture, and consequently the capital which now gives support to many thousands of labourers, who would then be seeking employment in competition with those now engaged in other pursuits, and willing to work at a lower rate of wages. The gain to the labourer from the reduction in the cost of iron, might be lost in the reduction of his money wages. Such is likely to be, in all cases, the effect of a *sudden* change of the policy of a nation, whereas, when the change is *gradual*, capital and labour are gradually transferred to other and more profitable pursuits, and no shock is experienced.

The course of operation by which the great valley of the Mississippi is brought into competition with the lands on the Hudson and the Delaware, is of this gradual character, and the consequence is, that the owners of the latter experience no inconvenience therefrom. If, by a wish, rail roads and canals could have been established twenty years since, the consequence would have been that a large portion of the population of New York and Pennsylvania would have migrated—the land would have been thrown out of cultivation—houses, barns, and enclosures would have been left to go to ruin, while their late occupants would have been engaged in preparing new ones—their proprietors would have been suddenly impoverished, while the owners of western lands would have been as suddenly enriched—population would have been widely scattered—and production would have been diminished. Fortunately, canals and rail roads required time and labour. They have been made gradually, and *with every increase thereby given to the value of western lands, there has been an increase in the den-*

*sity of the population of New York and Pennsylvania—an augmentation of capital—and an increase of rents.\**

“In speaking of the rent of the landlord, we have rather considered it as the proportion of the whole produce, without any reference to its exchangeable value, but since the same cause, the difficulty of production, raises the exchangeable value of raw produce, and raises also the proportion of raw produce paid to the landlord for rent, it is obvious that the landlord is doubly benefited by difficulty of production. First, he obtains a greater share; and, secondly, the commodity in which he is paid is of greater value.”†

The difficulty of production is greatest in Poland, and least in the United States; yet in the last, land has a high value, and in the first, a low one. Upon this principle it was attempted to prevent the making of turnpike roads in England. It was said that the distant lands would supply the market of London, and would command high rents in consequence, at the expense of the nearer ones. The same effect was anticipated from the construction of the New York and Pennsylvania canals above referred to. The result has, however, been, that instead of a diminution of value, there has been an augmentation of it in almost every case. If the canals were destroyed, the inequality of situation would be increased, but the rent of land near New York and Philadelphia would fall, because the trade of those cities would be lessened, and they would lose their advantages of situation, by the transfer of capital to some other quarter.

\* The improvements in production of commodities of all descriptions are of the same gradual and beautiful character, by which every member of the community is benefited, while none experience inconvenience. Such being the case, when nature is allowed to work, it might be supposed that when man is called upon to legislate, he might follow the example, and seek to make all changes gradually, thus securing the advantage without the hazard of loss or inconvenience. Yet such is not the case. We have witnessed many sudden changes—*always the result of human interference, and always accompanied by waste of capital and diminution in the demand for labour.* Even now, many enlightened men call for a prompt abolition of the corn laws of England, the effect of which would be similar to that which would have arisen in New York and Pennsylvania, out of the sudden production of canals and rail roads leading to the west, whereas a gradual change would be attended with effects similar to those which have arisen in the United States out of their gradual production, by which the restraints upon importing the grain of the west have been in a great measure removed. Were the corn laws removed by a gradual reduction of duty, there would be a constant increase of population—of demand for labour—of wages—of capital—and of rents, precisely as has been seen in the United States. *Those who advocate sudden changes are unsafe counsellors.*

Mr. Ricardo labours, throughout, under the error of supposing that great proportion means great quantity. The smaller the amount produced, the larger is the landlord's *proportion*, but the smaller is his *quantity*. One half of ten bushels, is a very different return from one third of thirty bushels. He supposes that the augmented price will also tend to increase the revenue of the landlord, yet in those countries in which the landlord has one half the price is lowest. In the United States and England the proportion is less than in Poland, but the quantity and price are greater. In the latter, the owner has *one half* of ten bushels, and the price is perhaps 40 or 50 cents per bushel. His revenue from an acre is, therefore, five bushels = \$2 to \$2 50. In the United States he may have one fourth of 30 bushels, at \$1 50 per bushel = \$11 25.

We take the following passages from Mr. Ricardo's chapter on Profits.

"We have shown that in early stages of society, both the landlord's and the labourer's share of the *value* of the produce of the earth, would be but small; and that it *would increase in proportion to the progress of wealth, and the difficulty of procuring food*. We have shown too, that although the value of the labourer's portion will be increased by the high value of food, *his real share will be diminished*; whilst that of the landlord will not only be raised in value, but will also be increased in quantity."\*

In the colony of Western Australia we see the precise nature of the division which takes place in the early stages of society. We there see that the owner of land receives as rent only interest at the rate of ten per cent. for the capital applied to its improvement, which interest he could have from any other mode of investment. He takes a large share of the product and the labourer has a small one. With every increase of capital he will have a diminished share of the product, but that diminished share will yield him a larger return of commodities of every description. If "*the difficulty of procuring food*" increased with the progress of wealth, he would have, as Mr. Ricardo says, an increased proportion, but throughout the world, he obtains, as capital increases, a diminished share, marking a constant increase in *the facility* of procuring food.

\* Ricardo's Political Economy, Chapter V.

Mr. Ricardo supposes that, in the course of the progress of wealth, *the real share of the labourer will be diminished*, whereas, there is undoubted evidence that the real share is constantly increasing, and that it cannot possibly be otherwise.

“In every case, agricultural, as well as manufacturing profits, are lowered by a rise in the price of raw produce, if it be accompanied by a rise of wages. If the farmer gets no additional value for the corn which remains to him after paying rent, if the manufacturer gets no additional value for the goods which he manufactures, and if both are obliged to pay a greater value in wages, can any point be more clearly established than that profits must fall, with a rise of wages?”\*

A rise in the price of agricultural produce, unless produced by an increased facility in obtaining the precious metals, or by an increase in confidence by which credits, in the form of bills and drafts, lessen the quantity thereof required to perform the exchanges of the world, can take place only in consequence of diminished production. In such a case, if the labourer obtained the same *proportion*, the landlord would have less. Money wages, however, rise slowly, and *the effect of a rise in the price of produce from diminished production in any part of the world, is, always, to give a diminished proportion to the labourer. Wages, in corn, fall; so do profits. The landlord's increased proportion yields him less than he had before. The apparent rate of profit—i. e. the proportion claimed by the owner of capital,—falls with a rise of real wages, but the real profit always rises with them*, so that both are interested in the increase of production.

“The natural tendency of profits then is to fall; for, in the progress of society and wealth, the additional quantity of food required is obtained by the sacrifice of more and more labour. This tendency, this gravitation, as it were, of profits, is happily checked, at repeated intervals, by the improvements in machinery, connected with the production of necessities, as well as by discoveries in the science of agriculture, which enable us to relinquish a portion of labour before required, and therefore to lower the price of the prime necessary of the labourer. The rise in the price of necessities and in the wages of labour is, however, limited; for as soon as wages should be equal

\* Ricardo's Political Economy, Chapter V.

(as in the case formerly stated) to £720, the whole receipts of the farmer, *there must be an end of accumulation; for no capital can then yield any profit whatever*, and no additional labour can be demanded, and consequently population will have reached its highest point. Long, indeed, before this period, the very low rate of profits will have arrested all accumulation, and almost the whole produce of the country, after paying the labourers, will be the property of the owners of land and the receivers of tithes and taxes.”\*

The great difficulty that arises out of the separation of *profits of capital* from *rent of land*, is here very evident. We are told that profits will be so low that almost the whole produce of the country will be the property of the owners of the land. The owner of capital might, however, employ it either in the purchase, or in the cultivation, of land. If the latter did not afford sufficient return, he would adopt the former course, and by degrees all capital would be withdrawn from cultivation, and applied to the purchase of land. Where then would be the rents? There would be none, because the landlords had demanded too much, and they would then find that they had a machine called land, and that other people had other machines, called ploughs and harrows, and that the only way in which they could be brought together, was to make a fair division of the proceeds. The profit of capital employed *in land*, and *on land*, could not vary very greatly, because if the one did not pay enough, that employed in it would be very speedily diverted to the other.

If the doctrine that rent arises out of a necessity for having recourse to inferior soils, yielding a “constantly diminishing return to capital and labour,” be true, equally so is the inference that at some future time the landlord will have it in his power to claim whatever proportion of the proceeds he may think proper, and that the labourer will be reduced, as in India, to a handful of rice and a rag of clothing. Unfortunately, however, for this theory, the world has gone on for thousands of years in a different direction. With the extension of cultivation, there has been a constant improvement in the condition of the labourer. He has been enabled to demand and obtain

a constantly increasing proportion of the product of his labour, while the owners of land and of capital have been content with a constantly decreasing proportion. Both wages and profits have, however, risen. Labour is daily more productive—the labourer's power to accumulate capital is daily increasing—the amount of comforts obtainable in exchange for the use of any given quantity of capital is also increasing—and thus he is enabled to have better food, better clothing, better shelter, and to obtain with a constantly decreasing quantity of labour, the means of support when old age shall have disabled him for exertion. We ask the reader to examine the facts carefully, and to determine for himself which doctrine is borne out by them.

## CHAPTER XIII.

REVIEW. MR. MILL: M. SAY: COLONEL TORRENS:  
MR. WAKEFIELD: DR. CHALMERS.

WE will now proceed to examine what are the views of Mr. Mill on this head.

"Till the whole of the best land is brought under cultivation, and till it has received the application of a certain quantity of capital, all the capital employed upon the land is employed with an equal return. At a certain point, however, no additional capital can be employed upon the same land without a diminution of return. In any country, therefore, after a certain quantity of corn has been raised, no greater quantity can be raised but at a greater cost. If an additional quantity is raised, the capital employed upon the land may be distinguished into two portions, one producing a higher, another a lower return."\*

When is this point to be reached? As yet no country has found what is the time in the progress of population in which no greater quantity can be raised without additional cost. The reward of labour employed in cultivation is increased, as is evidenced by the rise of wages; that of capital, by the increase in the amount of commodities that can be obtained for the use of any given quantity. Should the point to which Mr. Mill thinks we are advancing ever be reached, it will be known by a reduction of profits and of wages. The reward of exertion to persons of all classes will then be reduced, and will continue to fall, but so long as we see that the means of expenditure are constantly increasing, we may feel safe that the additional quantity of food is produced at a *constantly decreasing cost*, and, as we have a right to argue for the future from the past, we may presume that such will continue to be the case. At present one third of the population of Great Britain supplies the demand for food, but it is not improbable that, at some future time, the labour of one tenth of the present population will supply a vastly greater amount than is at present produced.

\* Mill's Political Economy, p. 13.



"So long as only a part even of the best land is required for cultivation, all that is uncultivated yields nothing; that is, nothing which has any value. It naturally, therefore, remains unappropriated; and any man may have it, who undertakes to render it productive."\*

Instead of applying his views to the world at large, Mr. Mill limits them to very small portions of it. If the superior soils that remain uncultivated have no value, what should induce the payment of rent for lands in England when others of equal fertility could so readily be had *in fee*, were it not that *capital has been expended in giving them advantages of situation*? What other cause could induce its payment near New York, when the same amount would make the party owner of a larger quantity in Illinois? What else induces the settler to pay \$1 25 per acre in Illinois, when equal land may be had in Texas for 30 cents? What should induce the payment of that sum in Texas, when in South America the most fertile soils may be had by any who think proper to appropriate them? Where labour has not been expended for the advantage of land it is as destitute of value as the waters of the ocean, and it obtains it only as labour is applied. Appropriation gives no more value to the one than it would to the other, because both are, practically, unlimited in extent. There can be no necessity for applying labour with a "lower return," while immense bodies of the most fertile lands of the earth are "not worth appropriating," and while a large portion of the productive power of land now under cultivation in Great Britain, is not worth the labour required for its appropriation. Were the application of capital to land freed from the restraints imposed by tithes that which now yields twenty bushels would be made to yield thirty, and these inferior soils would afford a larger amount of the necessities and conveniences of life in return to labour than the most fertile lands of Texas would now do.

"Rent increases, therefore, in proportion as the effect of the capital successively bestowed upon the land decreases. If population has arrived at another stage, when all the land of second quality being cultivated, it is necessary to have recourse to land of third quality, yielding, instead of eight quarters, only six quarters, it is evident, from

\* Mill's Political Economy, p. 15.

the same process of reasoning, that the land of second quality will now yield rent, namely two quarters; and that land of first quality will yield an augmented rent, namely, two quarters more. The case will be exactly the same, if, instead of having recourse to land of less fertility, a second and a third dose of capital, with the same diminution of produce, are bestowed upon land of the first quality.”\*

*Rent, on the contrary, increases as the effect of the capital successively bestowed upon land increases.* Each successive addition is more productive than the preceding one, and is the cause that the capital accumulated in past times will not exchange for as much labour as was expended in its production.

The doctrine of Mr. Mill agrees, generally, with that of Mr. Ricardo, and the following will show what he deems to be the results.

“Whether after land of superior quality has been exhausted, capital is applied to new land of inferior quality, or in successive doses with diminished returns upon the same land, the produce of it is continually diminishing in proportion to its increase. If the return to capital is, however, continually decreasing, the *annual fund from which savings are made is continually diminishing*. The difficulty of making savings is thus continually augmented, and at last they must totally cease.

“It thus sufficiently appears, that there is a tendency in population to increase faster than capital. If this be established, it is of no consequence to the present purpose to inquire about the rapidity of this increase. How slow soever the increase of population, provided that of capital is still slower, wages will be reduced so low, *that a portion of the population will regularly die from the consequences of want*. Neither can this dreadful consequence be otherwise averted, than by finding means to prevent the increase of capital from falling short of that of population.”†

In opposition to this, we have the fact that the annual fund from which savings are made is constantly increasing,—that the difficulty of making savings is constantly diminishing, and that the return to capital is constantly augmenting. Of this we have abundant proof in the improvement that has gone on for centuries past, that is now going on, and that is becoming daily more rapid. Such being the case, it does not appear necessary to take much care to avert these dreadful consequences,

\* Mill's Political Economy, p. 16.

† Ibid. p. 41.

as capital will grow as fast as is necessary, if it be permitted so to do.

The following view of the cause of rent, is different from any other that we have seen.

“The portion which goes in the shape of rent to the landlord, and is over and above that return which is made to the whole of the capital and labour employed upon the land, is, in fact, *the result of an accident*. Suppose that all the land cultivated in this country were of one uniform quality, and yielded the same return to every portion of the capital employed upon it, with the exception of one acre; that acre, we shall suppose, yields six times as much as any other acre. What, in this case, would be produced upon all the other acres, might justly be regarded as the return made to the labour and capital employed upon the land; and the whole of that return. The additional five sixths accruing from the singular acre, would not be considered as return made to labour and capital; it would be considered as the accidental product of a particular virtue in that particular spot. But what is true of this single acre, is equally true of any number of acres, as soon as that event occurs which diminishes the return to any portion of capital, and induces all the owners of capital, to limit their own receipts from their capital, to the measure of that diminished return.”\*

If that singular acre happened to be remote from any town, or village, and without roads, of what value would its properties be? Of what value would they be, if five sixths of the produce were necessary to take it to market? They would have some value whenever capital had made a road to it, but not till then. There are abundant instances of acres possessing such productive powers to be found within one hundred miles of the place at which we write. There are acres containing tens of thousands of tons of coal and of iron, that have very little exchangeable value, but which, at some future period, will produce ten times as much as the most fertile land near Philadelphia, or New York. They wait a further application of capital, and until they have it, their “natural advantages” are totally unproductive to their owner. Very inferior land near London is more valuable than the best in Texas, although the latter would yield perhaps, ten times as much corn. The lands of Texas, are to the world at large what the “singular acre” would

be to any given district, yet most of them are entirely without value.

M. SAY.

M. Say attributes considerable influence, in production, to natural agents. He says,

“When a field is ploughed and sown; besides the science and the labour employed in this operation, besides the pre-created values brought into use, the values, for instance, of the plough, the harrow, the seed-corn, the food and clothing consumed by labourers during the process of production, there is a process performed by the soil, the air, the rain, and the sun, wherein mankind bears no part, but which nevertheless concurs in the creation of the new product that will be acquired at the season of harvest. This process I call the *productive agency of natural agents*.”\*

Where the “productive agency of natural agents” is chiefly relied upon, as in those countries in which the superior soils only are cultivated, man is “poor and miserable;” but where capital is brought to his assistance, and inferior soils are brought into cultivation, his labour is well rewarded, and he becomes rich.

“In the employment of machinery, which wonderfully augments the productive power of man, the product obtained is due partly to the value of the capital vested in the machine, and partly to the agency of natural powers. Suppose a tread-mill, worked by ten men, to be used in place of a wind-mill, the product of the mill might be considered as the fruit of the productive agency of a capital consisting of the value of the machine, and of the labour of ten men employed in turning the wheel. If the tread-mill be supplanted by sails, it is evident that the wind, a natural agent, does the work of ten human beings.”†

If the tread-mill be supplanted by sails, the exchangeable value of the product will be lowered by the cost of supporting the ten men, unless there should be increased capital, or increased risk, requiring to be paid for. The natural agent produces no value, but the capital, which enables those who use it to avail themselves of its powers, secures to them increased wages.

He objects to the doctrine of Adam Smith, that labour is the sole measure of wealth, or of value produced, and says,

“This system is obviously in direct opposition to that of the econo-

\* Say's Political Economy, p. 78.

† Ibid. pp. 78, 79.

mists of the eighteenth century, who, on the contrary, maintained that labour produces no value without consuming an equivalent; that, consequently, it leaves no surplus, no net produce; and that nothing but the earth produces gratuitous value,—therefore nothing else can yield net produce. Each of these positions has been reduced to system; I only cite them to warn the student of the dangerous consequences of an error in the outset, and to bring the science back to the simple observation of facts. Now facts demonstrate, that values produced are referrible to the agency and concurrence of industry, of capital, and of natural agents, whereof the chief, though by no means the only one, is land capable of cultivation; and that no other but these three sources can produce value or add to human wealth.”\*

It would be difficult to show that any *value in exchange* is given by natural agents. It is given by labour only. The man who employs his time in digging wells, or canals, or in making roads, has the aid of his spade only, yet he makes better wages than the man who places himself, rent free, upon the finest lands of India, or Brazil. The one has all the benefit that he can desire from natural agents; the soil, the air, the rain, and the sun, unite to make wages for him, but of what avail are they? In the United States and England, where capital is permitted to accumulate, he could earn more without their assistance, by shouldering his spade, walking to the nearest turnpike road, and asking employment.

#### COLONEL TORRENS.

Wealth is thus defined by Col. Torrens—

“Wealth, considered as the object of economical science, consists of those material articles which are useful or desirable to man, and which it requires some portion of voluntary exertion to procure or to preserve. Thus, two things are essential to wealth—the possession of utility—and the requiring some portion of voluntary exertion or labour. That which has no utility, which serves neither to supply our wants, nor to gratify our desires, is as the dust beneath our feet, or as the sand upon the shore, and obviously forms no portion of our wealth; while on the other hand, things which possess the highest utility, and which are even necessary to our existence, come not under the denomination of wealth, unless, to the possession of utility be superadded the circumstance of having been procured by some

\* Say's Political Economy, p. 80.

voluntary exertion. Though the air we breathe, and the sun-beams by which we are warmed, are in the highest degree useful and necessary, it would be a departure from the precision of language, to denominate them articles of wealth. But the bread which appeases the cravings of hunger, and the clothing which protect us from the rigour of the season, though not more indispensably requisite than the former, are with propriety classed under the term wealth; because to the possession of utility, they add the circumstance of having been procured by labour.”\*

Here it would appear that no article could have value but that which is given to it by labour. Notwithstanding this, it will be seen by the following passage that the rent, and of course, the value of land, are ascribed exclusively to fertility, a gift of nature to those who have appropriated the superior soils, and not the result of the application of labour.

“It is self-evident that as we extend cultivation over inferior soils, the application of any given quantity of labour and capital will yield a less and less quantity of produce. If a hundred workmen, with a proportional supply of seed and of instruments of husbandry, can raise four hundred quarters of wheat from a given quantity of land, of the first quality, it is obvious that the same quantity of labour and capital, applied to equal portions of land, of second, third, and fourth rate quality, could not raise four hundred quarters of this grain, but would produce some smaller and successively diminishing quantity, say 350, 300, and 250 quarters. It is also evident, that as successive applications of given labour and capital to inferior soils, yield a successively diminishing produce, the ultimate limits of cultivation must at length be attained. Supposing that even 100 labourers consume 100 quarters of wheat while working upon the soil, and that it required 100 quarters more to supply them with seed, and to subsist them while they prepared their clothes and agricultural implements; then on the cultivation of a piece of ground sufficient to occupy 100 labourers, a capital consisting of 200 quarters of corn must be expended; and if the soil is of so inferior a quality as to be incapable of yielding 200 quarters, it is impossible that this ground should continue to be tilled. The cultivators, not having their seed and subsistence replaced to them, must remove to a more fertile district, or perish of want. Nor could any possible rise in the price of agricultural produce prevent this result, and keep under tillage districts incapable

of replacing the seed and subsistence expended. For it is only that portion of the agricultural produce which exceeds the seed and subsistence required in cultivation, that can be brought to market, and when there is no excess of this nature, then the farmer can derive no advantage from elevated prices.

"That which takes place with respect to the successive cultivation of inferior soils, will be found to take place also with respect to the successive application of additional labour and capital to superior soils."\*

In support of this doctrine, it is stated that—

"The principle, that each additional application of labour and capital to the improvement of land, effects a diminished proportional increase, is supported by the direct evidence of facts. *Where small capitals are laid out on the soil, and cultivation is conducted in an unexpensive manner,† the land proprietor, without trenching upon the farmer's reasonable profits, often receives half the produce as his rent, but where large capitals are invested in the soil, and the system of high farming is pursued, the proprietor, in order to leave the cultivator a reasonable return upon the stock he employs, must be satisfied to receive as his rent, a third, or fourth, or even a fifth part of the produce.* This demonstrates that each additional quantity is raised at an increased expense. For, if one hundred labourers raised from a given surface 400 quarters of wheat, and 200 of these replaced with a reasonable profit the capital which the farmer expended in setting them to work, then the remaining 200 quarters, or half the produce, might go to rent; and if 200 labourers could raise 800 quarters, or in other words, if a double expenditure occasioned a double produce, then as 400 hundred quarters would afford the farmer the same return upon the capital which employed 200 labourers, as 200 quarters had afforded him on the capital which put 100 labourers in motion, the other 400 quarters would be disposable, or in other words, one half of the produce of the farm might still be appropriated as rent. *It is only because the farmer cannot increase the quantity of produce in the same ratio in which he increases the quantity of*

\* Torrens on the Production of Wealth, p. 111.

† Mr. Malthus, when he found, as in India and South America, that fertile land was abundant, and that yet the people were poor, attributed it to *bad cultivation*. It is precisely the "*unexpensive*" cultivation to which Col. Torrens refers. In that of South America and of India, of the present day, may be seen that of Scotland a century since. Poverty and wretchedness accompany this "*unexpensive*" cultivation now, as they did then.

*work done upon the farm, that the proprietor receives a less proportion of produce as his rent.* When 100 labourers raised 400 quarters of wheat, then 200 labourers could not raise 800 quarters, but would raise some less quantity, say 700. Now, the half of 700 quarters could not be taken as rent, because it requires 400 to replace with a reasonable return the capital which the farmer expended in putting 200 labourers to work; and therefore only 300, or less than the half of the produce, remains as the land proprietor's portion. In the progress of improvement, the proprietor receives a constantly diminishing proportion of the whole produce, because the whole produce bears a constantly diminishing proportion to the capital which raises it.\*

We know of no case that more fully proves how far the pursuit of a theory may mislead a writer, than is to be found in that portion of the above extract which we have italicised. We are told that when cultivation is carried on in an unexpensive manner, the owner, "*without trenching upon the farmer's reasonable profits,*" obtains one half of the product. In order that the reader may see what are those reasonable profits, we give the following view of the results of this unexpensive cultivation in East Lothian, derived by the Edinburgh Review† from "The Countryman's Rudiments," by Lord Belhaven.

"As might be expected, the returns were about *three times the seed*. It is of importance, too, to observe, that this trifling return was obtained at a great comparative expense. At this period, and for about half a century after, there was no instance in Scotland of a plough being drawn by fewer than four horses. Most commonly it was wrought either by six horses, or by four horses and two oxen; and in some of the more backward districts, a still greater number of animals, sometimes as many as ten or twelve, were yoked to it. \* \* \* The work was at once very expensive, and very ill performed; the ridges were crooked and twisted, and so much heaped up in the middle, that a great deal of land between them was lost to any useful purpose."

This description applies to all countries in which a limited population makes it necessary to cultivate only the superior soils, as was the case in Scotland when Lord Belhaven wrote. It is particularly applicable to Ireland at the present time—to

\* Torrens on the Production of Wealth, p. 115.

† No. CXXVI. p. 177, American edition.



Poland\* and to India. The small product is there obtained at an enormous expense of labour, and the landlord takes a larger *proportion*, because the scarcity of capital applied to land enables him to dictate the terms upon which it shall be used.

When the most fertile lands only are cultivated, and when the owner takes one half, what is the condition of the labourer! Is it not a state of poverty and wretchedness? Let the reader compare the people of India, of Poland, of France,\* and of Ireland, with those of England and the United States, and ascertain whether the high *proportional* rents thus taken do not trench upon the *farmer's reasonable profit*. As improvements take place—as capital is applied to facilitate production and transportation, the landlord receives a smaller *proportion*, although a larger quantity. With the increased productiveness of labour, his revenue is increased, and yet the reduction of proportion is brought forward as evidence of a diminished return to capital and labour. The original value of the land was derived entirely from the capital that the owner had invested in improvements upon it, and upon roads which gave it facilities for the transmission of its products to market, and that value is now somewhat increased.

The man who owns £ 1,000, and receives from it an interest of five per cent., all of which he expends, will find himself always in the same position. If he expend only four per cent., he will be daily improving in his revenue. The owner of a farm who draws from it every farthing that it can be made to produce, will not find its value increased. If, on the contrary, he permit the occupant to expend a certain amount annually, in improvements, he will find his property increasing in value. If he add thereto a small annual contribution to be applied to the making of roads, whether voluntary, in the shape of subscriptions, or involuntary, in the form of taxes, he will find his property still further improved thereby. Landed capital being governed by precisely the same laws as all other property, it is only necessary to ascertain what is true in relation to any one description, in order to find what is so in relation to all.

If the increased product arise from increased exertion on the

\* See page 13, *ante*.

part of the occupant, the landlord has no claim to a share of it. If it arise from greater economy of labour, resulting from improvement in its application, the price of wheat, in labour, will fall: the landlord will have more wheat, but that wheat will purchase less labour. Wages and profits both rise.

"The moors of Lancashire," says Col. Torrens,\* "could not originally have been made to grow corn, because the quantity of corn consumed by the labourers reclaiming and cultivating them, would have exceeded the quantity they were capable of producing. But cheap corn was brought from Ireland and other places; increasing wealth and population created an increased and extensive demand for those agricultural luxuries, which, not entering into the subsistence of farm labourers, are not expended in reproducing themselves; and the consequence has been that what was the barren moor, now bears crops of great value, and pays higher rents than the most fertile corn lands of England."

Here we see that capital makes the worst land as productive as the most fertile. If Mr. Ricardo's doctrine were true, this could never have happened. Every fresh application of capital would have been attended by a diminished return, and the attempt would have ruined the owners. Another case of a similar kind is mentioned by

#### MR. WAKEFIELD,

showing that in all countries the result is the same.

"Of a most sterile quality by nature, and indeed wholly unfit for the production of corn, the land of that country [Genoa,] nevertheless yields upon the average a much higher rent than the most fertile corn lands in the not far distant plain of the Po. But by what means? By means of the importation of cheap corn raised on those more fertile lands. This cheapness of corn, by promoting wealth and population, has led to a demand within the territory of Genoa for agricultural objects, such as vegetables, fruit, olive oil, wine, and silk, which that land is capable of producing; and thus land, which if it had been employed in growing corn, would never have yielded a produce beyond the cost of production, or any rent, now yields a large surplus produce and high rent."†

\* Colonization of South Australia, p. 280.

† Notes to Wealth of Nations, by the Author of England and America, Vol. I. p. 227.

The most extraordinary doctrine of the present time, is that of Col. Torrens and Dr. Chalmers, which supposes distress to arise out of the superabundance of capital.

"The one (capital) is liable to as great excess as the other.\* As too many hands may be working *now*, and drawing in return an inadequate subsistence; so, *too many hands may have been working last year, and the existent products of their industry, whether in the shape of goods, or instruments of future production, may be drawing a return of gains that are wholly inadequate.* What the action of low wages is upon population, so the action of low profit is upon capital."†

In this Mr. Wakefield is disposed to agree, as will be seen by the following extract.

"Quite recently, a sort of heresy in political economy has thrown light on many points, which had been left in total darkness by those who imagine that the science was perfected by Ricardo. The most distinguished preachers of the new doctrine, who show that *great evils arise from superabundance of capital*, are Col. Torrens and Dr. Chalmers."‡

The error of these gentlemen arises out of the supposition that profits have a tendency to decrease with the accumulation of capital, whereas the experience of England shows, most conclusively, that the contrary is the case, and that it will now yield to the owner a larger return in the conveniences of life than it would do during the last century. It is true, the *proportion* of produce retained by the owner of capital employed upon a farm is reduced, but that proportion yields him larger return for its use than it would have done at any former period.

\* The following is a specimen of the strange views entertained by some political economists: "Can there not be a redundancy of inanimate as well as of animated machines? If it be wrong to encourage the multiplication of labourers, when an increase of misery can only follow an increase of numbers, is it not equally wrong to *encourage* the multiplication of machinery, when it must produce the same result?"§ According to these writers, the poverty of the people is the result of over production, and they would reduce the means by which it is caused. It would be as judicious to tie a man's legs together, with a view to enable him to get over a greater quantity of ground.

† Chalmers's Political Economy.

‡ Preface to Wealth of Nations.

If it did not do so, he would not so employ it, because he could purchase stocks which would.

In the note to Chapter X. Book I. of the *Wealth of Nations*, Mr. Wakefield says,

“The effects upon wages and profits which are here attributed to monopolies, *were bad effects, only because they were not universal: they are precisely those we should wish to see extended to all employments.* In towns a high rate of wages and profits was maintained by means of checks to the increase of town labourers and capitalists. This is what the most benevolent and distinguished economists now propose for both town and country industry. *In order, say many of them, that all classes of labourers should obtain high wages, let all collectively refrain from over-population.* Dr. Chalmers, behind none in reputation, or in sympathy for the industrious classes, deliberately adds,—*In order that all capitalists should obtain high profits, let all collectively refrain from over-trading.* The latter check appears, at this time, in Great Britain, to be as much called for as the other. *And the whole proposal seems to be, not only a reasonable one, but the only one which points out a way of escape from the pauperism of labourers and the distress of capitalists; the only one, that is, provided there be no way of causing the field of employment for capital and labour to increase as fast as population and capital.*”

Mr. Wakefield is an advocate of free trade, but he, with many of the writers of our time, attributes the evils that exist to over-production, and sees no remedy but that self-restraint which limits population and prevents over-trading. Mr. Malthus thinks the remedy to consist in “not pushing cultivation too far,”\* and the present writer, in company with Dr. Chalmers, thinks they would be remedied by not pushing trading too far. Restrain population!—restrain cultivation!—and restrain trading!—and all will be well. Let every man produce one bushel of wheat where he has heretofore produced two!—let every man make one yard of cloth where he has heretofore made two!—and we shall be better fed and clothed than we have been. All is restriction and regulation, whether proposed by the advocates of free trade, in the form of self-restraints, or by the *Quarterly Review*, the advocate of the old system, in the form of taxes upon machinery.

\* Page 183, *ante*.

The doctrines of Messrs. Malthus and Ricardo must produce advocates of restriction, and thus the men who most oppose restraints upon commerce, are the most decided supporters of other modes of limiting the productive power. Our author believes that the effects of monopolies were bad effects only *because they were not universal*. The effects of the monopoly of the supply of corn by the British land owner, by the same rule, are only bad effects because they are not universal, and if the supply of cotton and of wool and of silk could be equally restrained, those bad effects would be obviated. The author desires to limit town and country labourers and capitalists by means of restrictions similar to those of the old corporations. If he will look to France, he will see it already done. He will see increase of every kind limited by *brevets* and restrictions of all kinds, and the consequence is great poverty! Such would be the consequence to England of the adoption of a similar system.

When we see such extraordinary doctrines advocated by men of ability, we are much disposed to believe, with our author, "that the science of political economy is yet in its infancy."\*

\* Notes to Wealth of Nations—Preface, page xii.

## CHAPTER XIV.

## REVIEW. MR. M'CULLOCH: MR. SCROPE.

Mr. M'Culloch says—

"Nature spontaneously furnishes the matter of which all commodities are made; but until labour has been applied to appropriate that matter, or to adapt it to our use, it is wholly destitute of value, and is not, nor ever has been, considered as forming wealth. Place us on the banks of a river, or in an orchard, and we shall infallibly perish, either of thirst or hunger, if we do not *by an effort of industry*, raise the water to our lips, or pluck the fruit of the parent tree."\*

"Those who contend, as almost all the continental economists do, that the agency of natural powers adds to the value of commodities, uniformly confound utility and value—that is, as was formerly observed, they confound the power or capacity of articles to satisfy our wants and desires with the quantity of labour required to produce them, or the quantity for which they would exchange. These qualities are, however, as radically different as those of weight and colour. To confound them is to stumble at the very threshold of the science. It is but too clear, that those who do so have yet to make themselves acquainted with its fundamental principles.

"It is true, that natural powers may sometimes be appropriated or engrossed by one or more individuals to the exclusion of others, and those by whom they are so engrossed may exact a price for their services; but does that show that these services cost the engrossers any thing? If A. has a water-fall on his estate, he may, probably, get a rent for it. It is plain, however, that the work performed by the water-fall is as completely gratuitous as that which is performed by the wind that acts on the blades of a wind-mill. The only difference between them consists in this—that all individuals having it in their power to avail themselves of the services of the wind, no one can intercept the bounty of nature, and exact a price for that which she freely bestows; whereas A., *by appropriating the water-fall, and consequently acquiring a command over it, has it in his power to*

\* Principles of Political Economy, p. 66.

*prevent its being used at all, or to sell its services. He can oblige B., C., and D., to pay for the liberty to use it, but as they pay for that which costs him nothing, he gains the whole that they lose; so that the services rendered by the water-fall are still so much clear gain—so much work performed gratuitously for society.”\**

The chapter from which the above quotation is made, is entitled, “Labour the only source of Wealth.” After having thus decided that there is but one cause of value, we find that *the power of appropriation* is the chief cause of *value in land*, enabling the owner, enjoying a monopoly of its powers, to demand from the occupant a share of its products, or, as another writer says, “to dictate the terms upon which they shall cultivate it or starve.”†

“Wherever the best lands only are cultivated, the proportion or share of the produce falling to the labourer is, generally speaking, small: but as labour is, under such circumstances, comparatively productive, a small share of its total produce gives a large absolute quantity of necessaries and conveniences; while in the advanced stages of society, and where cultivation is widely extended over lands of inferior fertility, proportional wages are almost invariably high; but owing to the increased difficulty that then obtains of producing supplies of food, these high proportional wages rarely afford a large supply of necessaries and conveniences.”‡

We have seen, on the contrary, that where the best lands only are cultivated, labour is *unproductive*, that the labourer’s proportion is small, and that it is with difficulty he obtains the means of living, whereas the increase in capital and population, and the extension of cultivation over inferior soils, are attended by increased production, and by an increase in the labourer’s proportion, accompanied by a rapid augmentation of the quantity that he can command by any given quantity of labour. This increase of proportion is directly attributed, by Mr. M’Culloch, to the decreasing fertility of soil.

“It is plain that the decreasing productiveness of the soil, to which every improving society is obliged to resort, will not, as was previously observed, merely lessen the *quantity* of produce to be divided

\* Principles of Political Economy, p. 75.

† Jones on the Distribution of Wealth, p. 11.

‡ Principles of Political Economy, p. 399.

between profits and wages, but will also increase the *proportion* of that produce falling to the share of the labourer.”\*

This increased proportion is supposed to be attended by a fall of profits.

“*The decreasing fertility of the soil is, therefore, at bottom, the great and only necessary cause of a fall of profits.* The quantity of produce forming the return to capital and labour, would never diminish but for the diminution that uniformly takes place in the productiveness of the soil; nor is there any other physical cause why the *proportion* of wages to profits should be increased, and the *rate* of profit diminished, as it uniformly is, in the progress of society.”†

As that cause does not exist—as the quantity of produce does not diminish—as, on the contrary, it constantly increases—we may safely attribute the decreasing *proportion* of the capitalist to the fact that as labour becomes more productive, capital is more easily accumulated and its power of purchasing labour is diminished. The diminished proportion enables the owner to obtain a constantly increasing reward for the abstinence which enabled him to accumulate capital, while the labourer retains a constantly increasing proportion of the fruits of his labour.

“Wherever tillage is widely extended over inferior soils, both the quantity of produce, and the share of that produce falling to the capitalists, are very much diminished, and there is, in consequence, a slow increase of capital and of population.”‡

When only the most fertile lands of England were cultivated, the quantity of produce was small, the capitalist's share was large, and there was a “slow increase of capital and population.” Within the last sixty years, “tillage has been widely extended over inferior soils,” the return to labour has been greatly increased, the capitalist's share has been diminished, and there has been a *rapid* “increase of capital and population.”

This law of the fall of profits is supposed to be counteracted by improvements of cultivation.

“I have thus endeavoured to exhibit the ultimate effect which the necessity of resorting to poorer lands for supplies of food, has on

\* Principles of Political Economy, p. 486.

† Ibid.

‡ Ibid. p. 220.



profits and wages. But though this cause of the reduction of profits be 'of such magnitude and power, as finally to overwhelm every other,'\* its operations may be, and indeed *commonly are counteracted*, or facilitated by extrinsic causes. It is obvious, for example, that every discovery or improvement in agriculture, which enables a greater quantity of produce to be obtained for the same expense, has a similar effect on profits as if the extent of superior soils were increased, and may, for a lengthened period, increase the rate of profit."†

Nevertheless all improvements are deemed unavailing to counteract this resistless tendency, and

"From the operation of fixed and permanent causes, the increasing sterility of the soil is sure, in the long run, to overmatch the improvements that occur in machinery and agriculture, prices experiencing a corresponding rise, and profits a corresponding fall."‡

Mr. M'Culloch says, the operation of this law is "commonly counteracted" by improvements. Regarding, as he does, the reduction in the proportion of the capitalist as *the sign of a fall of profits*, he has no evidence that the law is "counteracted," but, on the contrary, has abundant reason to believe that the reduction is constantly going on. He knows that the proportion of the landlord is not one half of what it was in former times, and that the rate of interest is not one third of what it was some centuries since. How, then, can he say that the law is counteracted, or can be so, by any improvements in cultivation?

According to his theory, the profits of capital must fall with an extension of cultivation, because the labourer requires to take an increased proportion. The labourer *has* taken a constantly increasing proportion, but wages *have not* fallen, and the capitalist *has* taken a constantly decreasing proportion, yet his situation has constantly improved. To account for this it is said that this law of nature is counteracted by the acts of man. The diminished return to the soil is to be made obvious, I. by a reduction of the proportion of the capitalist, and II. by a diminished power of consumption on the part of both labourer

\* Malthus's "Principles of Political Economy," &c., p. 317.

† Principles of Political Economy, p. 486.

‡ Ibid. p. 488.

and capitalist. If the law could be counteracted by any operation of man, the counteraction would be complete and we should see the latter receive the same proportion as in former times. On the contrary, we see that the first effect is produced and that the proportion is diminished, but that it is accompanied by an increased power of consumption. A law cannot be counteracted by halves. *If reduction of proportion be a sign of diminished return to labour and capital, it must be accompanied by low wages and low profits, but if it be a sign of increased return to labour and capital, it must be accompanied by high wages and high profits.* For centuries there has been a reduction of the proportion of the capitalist, accompanied by a constant improvement in both wages and profits, indicating a constant increase in the return to labour as population and capital increased, and as cultivation was extended over the inferior soils.

The laws of nature are immutable. If such a tendency as that supposed by Mr. M'Culloch did exist, we should have now some evidence of it, but, on the contrary, there has been a constant improvement in the condition of the human race. It is now going on, and it will continue, and the people of the twentieth century will obtain the conveniences and enjoyments of life with one half of the labour that their production now requires. Capital bestowed on land becomes daily more productive, and every increase in its quantity tends to render more so that already existing.

By the following passage it will be seen that Mr. M'Culloch deems the *proportion* of the labourer employed in manufactures to be small, whereas that of the agriculturist, in that stage of society which gives rise to extensive manufactures, he says is large.

He says it may be assumed—

“That in consequence of the extensive employment of highly valuable machinery in all the departments of the cotton manufacture, the *proportion* which the profits of capital, and the sum to be set aside to replace its wear and tear, bear to the whole value of the manufacture, must be larger than in any other department of industry.”\*

\* Statistics of the British Empire, Vol. II. p. 75.

He gives the following view of the division of the proceeds of the manufacture, the total value of which he estimates at - - - - - £34,000,000.

" Raw material, 240,000,000 lbs., at 7d. per lb. - - - - -	£7,000,000	
" Wages of 800,000 weavers, spinners, bleachers, &c., at £22 10s. a year, each, - - - - -	18,000,000	
" Wages of 100,000 engineers, machine makers, smiths, masons, joiners, &c., at £30 a year, each, - - - - -	3,000,000	
" Profits of the manufacturers, wages of superintendence, <i>sums to purchase the materials of machinery, coals, &amp;c.</i> , -	6,000,000	
		34,000,000.

" Now this sum of £34,000,000, supposing the interest of capital, inclusive of the wages of superintendence, &c., to amount to 10 per cent., will yield a sum of £3,400,000, which being deducted from the £6,000,000 profits, leaves £2,600,000 to purchase materials to repair the waste of capital, the flour required for dressing, the coals necessary in the employment of the steam engines, and to meet all other out-goings."\*

These last items are as much a part of the cost of manufacture as are the wages paid to labourers; and the whole sum retained by the capitalist, as the return for the use of his capital, and wages for the time and talent employed in its management, is £3,400,000, or 10 per cent. of the amount produced.

It is singular that Mr. M'Culloch should have fallen into the error of stating that a large *proportion* of the proceeds would go to capital, *because of the large amount employed*, when there is a constant tendency to decrease in the *proportion* retained by the capitalist, as the amount of capital is increased. Every one must be familiar with the fact that the tradesman who employs a capital of one, or two, or five thousand dollars, or pounds, takes a larger *proportion* of the merchandise that passes through his hands, than his neighbour, who employs as many hundreds of thousands. Such is the case in agriculture, in commerce, and

\* Statistics of the British Empire, Vol. II. p. 75.

in manufactures. Could the cotton manufacturers live upon ten per cent., if the capital invested in machinery were not large?

In those pursuits in which machinery is little used, ten per cent. of the proceeds would not compensate the capitalist. The cotton manufacturer could not have been satisfied with it in the time of Arkwright, and still less in that of Paul and Wyatt. The proprietor of a newspaper could not do it when he was dependent upon the old fashioned press of the last century. He is better paid now by 10 per cent. of the amount of production, than he was at that time by 20 per cent. The publisher of the Family Library is now better paid by 10 per cent., than the publisher of the Spectator, or of the Rambler, was by 20 per cent. In every department of production there is a tendency to reduction in the *proportion* retained by the capitalist, with every increase in the facilities of production.

In manufactures the cause of low profits is thus stated:

"The high wages we pay to our workmen, and the other burdens laid on manufactures, cause *low* profits; and as the principal part of the value of cottons and other commodities chiefly produced by the agency of machinery, consists of profits, it must be comparatively low when profits are low."\*

The low profits of capital in England are attributed to the high rate of wages. If such were the case, what would be the profits of the American capitalist, who pays still higher wages? If such were the result in England, it would be the same in the United States, where, however, both are high. They are so, because the field of employment is permitted to enlarge with the growth of capital, and is not limited by restrictions, as is the case in every part of Europe. Production is consequently great.

It is asserted that the reason for the high wages of the United States is, that only the best lands are cultivated. Were this the reason, how could the cotton manufacture flourish? They now export coarse cotton cloths to all parts of the world, and the export tends to increase. The manufacturer of those cloths must have a large profit upon his capital; he must pay a high price to his workmen, to his clerks, and all other persons employed; and he must have large wages for himself. Here there is no

\* Principles of Political Economy, p. 357.

question of superior, or inferior, soils. *The English and the American manufacturer work the same soil, and the only difference is in the instruments with which it is worked. The owner of American shipping pays high wages to his seamen, yet in the whaling trade, open to all the world, he fears no competition, and his profits are higher than those of Europe.* He cultivates the same soil. Unless the machinery employed be better—unless the people be more intelligent—the production, per hand, can not be greater, and the owner must be ruined. If, notwithstanding high wages and high interest, he is enabled to obtain a large reward for his own services, it must be evident that production is greater, and that the instruments with which he works are better. The product is shared among a certain number of persons, and if each receives a larger quantity, the amount must be larger.

The low profits of England are deemed by Mr. M'Culloch to give to the manufacturers an advantage over those of France. He says—

“The advantage that our manufacturers, who are large employers of machinery, must have over those of France, in consequence of our lower profits, is great and decided!”\*

Had Mr. M'Culloch said in consequence of the small *proportion* required to be taken by the capitalist, he would have been right. Such is the advantage of Great Britain, and of the United States. Labour is productive, and a small proportion pays the owner of capital better than a large one elsewhere.

Profits, may, however, it would appear, fall too low, and then we are told that—

“Neither the skill and industry of the most intelligent and laborious artisan, nor the possession of the most improved and powerful machinery, can permanently withstand the paralyzing influence of a relatively low rate of profit.”†

Where skill, intelligence, and industry are assisted by such machinery, profits cannot be low. They may be kept by restrictions at a lower standard than they would otherwise attain, but they must be higher than in other nations. All that is to be desired to secure high profits and high wages is the possession of those requisites, and entire freedom in the application of them.

\* Principles of Political Economy, p. 357.

† Ibid. p. 505.

In Mr. M'Culloch's examination before the House of Commons, we find the following:

“ ‘ Could not the French manufacturer, if he gets his labour for less than the English manufacturer, afford to sell his goods for less ?— ‘ As the value of goods is made up wholly of labour and profit, the whole and only effect of a French manufacturer getting his labour for less than an English manufacturer is to enable him to make more profit than the English manufacturer can make, but not to lower the price of his goods. The low rate of wages in France goes to establish a high rate of profits in all branches of industry in France.’ ”

It thus appears that the low wages of France secure high profits to the owners of capital in that country. If profits were really high there, would not capital be transferred and an equilibrium be thereby established? Wages are low in France because production is small. The capitalist receives a large *proportion* of that small product. The owner of capital in England is better paid by a small one.

Mr. M'Culloch says that “ a theory at variance with a uniform and constant fact must be erroneous.”\* We think that such is the case with the theories that capital invested on land becomes less productive as it increases in quantity, and that landed capital is governed by laws different from those invested in other modes of production. The uniform and constant fact is opposed to them, and we think they must be admitted to be erroneous.

In estimating the progress of capital, he says, after stating the rate of increase in the population,

“ As the quantity of necessities and conveniences falling to the share of an inhabitant of the United States, has not been materially increased or diminished during the last century, this increase of population is a proof that the capital of the country has advanced in a corresponding ratio.”†

Here we have a case that shows most fully the length to which a theory will carry a writer. Mr. M'Culloch's doctrines are adverse to the growth of capital. He believes that every fresh application thereof to land must be attended with a constantly diminished return, and in support of that doctrine he finds that even in the United States, where “ only the best lands

\* Principles of Political Economy, p. 19.

† Ibid. p. 217.

are cultivated," there is no increase in the "number of conveniences or necessities falling to the share of an inhabitant." It is difficult to imagine where authority could have been found for such an assertion. We certainly have met with none. The reader has had before him a comparative view of the wages of different periods, in commodities, showing that the quantity of conveniences and necessities at the command of the labourer has greatly increased, and proving an increase of capital vastly greater than that of population. Mr. M'Culloch finds that the condition of the people of Great Britain has greatly improved, and thence infers that the growth of capital has exceeded that of population. If such be the case there, why not in the United States? Because there are no "restraints" upon the growth of population, and without them, according to the views of Mr. Malthus and Mr. M'Culloch, capital cannot keep pace therewith. Notwithstanding their absence, there can be no question that the improvement which has taken place in the condition of the people of the United States is far greater than in that of any other people whatever, so that, rapidly as population has grown, when compared with other nations, capital has grown still more rapidly. Mr. M'Culloch, without adverting to the enormous waste that is going on in all "the old and densely peopled" countries, arrives at the conclusion that "sixty years is about the *shortest* period" in which the capital of such countries "can be expected to double."\* What would be their time of doubling were they freed from the waste of wars, and permitted to manage their own business in their own way?

#### MR. SCROPE.

Mr. Scrope says, that "all wealth is the product of labour, but not of labour alone."† The possession of value in land, with the power to demand a rent for the use thereof, he ascribes to appropriation of its natural powers, *and* to the labour applied to its improvement. What is derived from the use of the former, he calls "monopoly gain."‡ He considers "pro-

\* Principles of Political Economy, p. 217.

† Principles of Political Economy, by G. Poulett Scrope, M. P., p. 64.

‡ Ibid. p. 173.

perty in land as *an artificial restraint on the free enjoyment of those gifts which the bounty of the Creator has provided for the satisfaction of his wants.*"\* Had Mr. Scrope seen that the land has no value but that which it derives from the labour bestowed upon it, he would have been satisfied that the right to its enjoyment is complete, and would not have believed that "*this restraint is just only to such extent as it can be proved necessary for the general welfare,*" nor would he have asserted, that "*wherever it is found to go beyond that point, its modification is required by the same principle which alone sanctions its establishment.*"†

This view is, however, a proper one, if the doctrines of Mr. Malthus, Mr. M'Culloch, and Mr. Scrope himself, be correct. If rent be paid for the use of the gifts of nature intended for the benefit of the whole community, whose enjoyment thereof is restrained for the advantage of those who have chosen to appropriate them, then some "modification of the principle" might be correct. If, however, it be found that no value exists but that which is the result of labour—that the power to demand rent exists in those only who have by their own labour, or that of their ancestors, acquired property, then they hold it as *a right*, whereas in the other case it is simply *an exercise of power*. In the one case, no good man could desire it changed: in the latter, many might believe it would be proper to alter or to restrain it.‡ The perfect right to the enjoyment of property is entirely inconsistent with the doctrines of the school of economists, whose works are now under consideration.

\* Principles of Political Economy, p. 352.

† Ibid.

‡ By the law of primogeniture the right to the enjoyment of property is restricted to certain individuals, by an exercise of power on the part of certain persons who are themselves generally elder sons. An alteration of this law, by which property would be more generally diffused, *would be, not to restrain, but to free it from restraint.*



## CHAPTER XV.

## REVIEW. MR. SENIOR.

MR. SENIOR says,

"The primary instruments of production are labour, and those agents of which nature, unaided by man, affords us the assistance."\*

Those natural agents having been appropriated, the owners receive compensation for their use, in the form of rent, which is deemed to be

*"The recompense of no sacrifice whatever;"* and *"is received by those who neither labour nor put by, but merely hold out their hands to accept the offerings of the rest of the community."*†

"The surplus is taken by the proprietor of the natural agent, and is his reward, not for having laboured or abstained, but simply for not having withheld what he was able to withhold; for having permitted the gifts of nature to be accepted."‡

This view appears to us to be, in the highest degree, hostile to the security of property. Were an agrarian§ law proposed,

\* Outline of Political Economy, p. 152.

† Ibid. p. 166.

‡ Ibid.

§ A recent writer says, "In France there are now four [10] million landed properties; that black portent of an agrarian law is, as it were, *realized*."—*French Revolution*, by T. Carlyle. The landowners of France were, most emphatically, the class that *neither laboured nor put by, but merely held out their hands to accept the offerings of the rest of the community*, and the result was the agrarian law of the Revolution. Wherever the distribution of property is restrained by the right of primogeniture, there arises a class similar to that described by Mr. Senior. It exists to a smaller extent in England than it did in France, but so far as it does exist it tends to diminish the security of property. Those who argue against the division of landed property point to the *morcellement* that is going on in France, and which tends to prevent the improvement in agriculture that would otherwise take place, without remarking also the fact that restrictions upon trade, by which the extension of manufactures is prevented, compel men to divide their lands and remain cultivators, when they might and would be, under a different system, much more advantageously employed elsewhere. The system of France resembles that advocated by Dr. Chalmers and Mr. Wakefield, already noticed.||

it would be difficult to defend the claims of the owners to the "offerings of the rest of the community," unless it could be shown, as it could be, that the receivers of rent derived their rights thereto from the application of labour and capital to the improvement of the land.

In accordance with all the writers whose opinions we have given, Mr. Senior attributes the value of land, and the power to demand rent for its use, to the necessity for cultivating inferior soils with a less proportionate result, because of the limited supply of those which are superior.

"The proposition that, in agriculture, additional labour generally produces a less proportionate result, or, in other words, that the labour of twenty men employed on the land within a given district, though it will certainly produce more than that of ten men, will seldom produce twice as much, will be best illustrated by confining our attention to a single example.

"We will suppose a farm consisting of one thousand acres, two hundred very good land, three hundred merely tolerable, and the remainder barren down, affording only a scanty sheep-walk. We will suppose the farmer to employ upon it twenty men, and to obtain an average annual product, which, to reduce it to a single denomination, we will call six hundred quarters of wheat. We will suppose him now to double the number of his labourers, and we shall see what probability there is that the produce will consequently be doubled. If the twenty additional labourers are employed in cultivating the down land, they must necessarily produce a less return than that which is produced on the other land by the previous twenty, as the land is supposed to be worse. It is equally clear that their labour, if applied to the land already in cultivation, will be less productive than the labour previously applied to it; or, in other words, that the produce of that land, though increased, will not be doubled, since on no other principle can we account for any land except the very best having been ever cultivated. For if the farmer could have gone on applying additional labour to land already in cultivation, without any diminution in the proportionate return, it is clear that he never would have cultivated the three hundred acres of inferior land. In fact, if this were the case, if additional labour employed in agriculture gave a proportionate return, he never need have cultivated more than a single acre, or even a single rood. It is probable that in the supposed case he would employ some of his additional labourers in breaking

up a portion of the down, and some of them in cultivating more highly the land already in tillage. So employed, they might produce an additional crop of four hundred, or five hundred, or five hundred and fifty quarters, but it is certain that the additional crop would not be equal to the whole six hundred previously obtained; the produce would be increased, but would not be doubled.”\*

This, like all the similar cases to which we have referred, is plausible, but unsound. No such case does occur. The man who obtains 600 quarters of wheat from the first five hundred acres of land, will not put twenty more men upon the five hundred acres of down land, nor will he put a single one, unless very certain that he will produce as many bushels of wheat as are at least equal to his wages when employed elsewhere. He will not put twenty additional men on the land already in cultivation, because they are not needed. If the twenty already there can produce 600 quarters, there will be a strong tendency both to an increase in the amount of product, and to a decrease in the number of hands employed. It is a matter of constant occurrence, that a smaller number of hands is now required to cultivate any given quantity of land, and that the product is much increased. If instead of land in cultivation it were coal land, what would be the conduct of the owner? Let us suppose that he now works the superior soil, or first seam of coal, and that he employs twenty men who, with such instruments as they possess, are able to mine 600 tons in any given time, and that the machinery for raising it is sufficient for that quantity only. If he were to put in twenty additional men, they would be wasting their time, because his machinery was not adequate to their employment. If, instead of adding twenty men to the superior soil, he were to put them upon an inferior one, and to commence working another seam two hundred, or three hundred feet lower, without an improvement in his machinery for raising the product, he would find that the labour was attended with a decreased return. If, instead of this, he were to improve the tools for mining the coal and the machinery for raising it, so that twenty men could now turn out from the superior soil 1200 tons, yielding a greatly in-

creased return, he might now apply himself to the inferior one, which, with the improved machinery, would yield to the same labour 900 tons. This is exactly what has been done in relation to both mining and cultivation, and the effect has been to give value to land that half a century since was not worth the trouble of appropriating, attended with a constant increase of both wages and profits. We may equally well apply the views of Mr. Senior to a cotton factory. If a man employ 100 females in attending 200 looms, and obtain from them 1000 yards of cloth, and he increase the number to 200 without increasing his machinery, is it likely that he will obtain double the product? If not, increased labour is applied here with diminished return. If, however, he reduce the number to sixty-seven, leaving each to manage three looms, and obtain the same product, he will have an equal return with diminished labour, precisely as occurs daily with regard to land.

If he had a cotton mill, and a building adjoining in which he had placed no machinery, and if, instead of putting the additional 100 hands in the mill, he were to put them within the bare walls, would the product be increased? This would appear very absurd, but not more so than the conduct of the man who should put twenty men upon a down that could yield nothing to cultivation. If he had two mills, and that nearest the market yielded only wages and the ordinary profits of trade, he would let the most distant lie unemployed, as would the owner of inferior land. As population and capital increased and his machinery was improved, he would be enabled to produce the same quantity of cloth at the first mill with a diminished number of hands, and could then bring into activity the more remote one, not only without a reduction of wages, but with a constant increase of both wages and profits. Such would be the case with the inferior soils of Mr. Senior. We need look back but a very short period to see the vast extent of inferior land, throughout England\* and Scotland, brought into

\* Forty years only have elapsed since the following passage was written. "A country, disfigured and burthened, as Great Britain every where is, with immeasurable heaths, commons, and wastes, seems to resemble one of those huge

cultivation, with a constantly increasing return. If the difficulty of obtaining a supply of clothing made it "necessary" to work the more distant mill, while the nearer one would yield only the usual rate of wages and profits—or if the difficulty of obtaining a supply of coal made it necessary to work the inferior seam while the superior one yielded only the ordinary rate,—the return to labour would be diminished, and there would be a fall of both; and if the difficulty of obtaining a supply of food made it necessary to cultivate the "down," with a constantly decreasing return, the same effect would be produced. No such case has ever yet occurred, that we are aware of, but if any there be, the cause thereof will be found in the destruction of capital by wars and invasions. There is a constant tendency to reduction in the number of persons employed upon any given quantity of land, and even where the production is not increased, the number of claimants upon it is reduced, as is the case in manufactures. Were this not the case, there could be no rise of wages.

So long as only a part of the most fertile soils are cultivated, Mr. Senior considers land as of no value.

"The soil of every extensive district is of different degrees of fertility and convenience of situation, and the soils of each degree constitute a distinct class of natural agents, affording each a distinct amount of assistance to the cultivator. And we have seen that each portion of soil, whatever be its fertility, *agricultural skill remaining the same*, generally gives a less and less proportionate return to each additional quantity of labour and abstinence bestowed on its cultivation, and may be said, therefore, to comprise within itself a system of natural agents of different powers. The different classes of natural agents will be successively employed, in proportion to their efficiency; an inferior class being never resorted to while a superior one is equally accessible: and each class, until it has been completely appropriated, may be considered as practically unlimited in supply, since it is universally accessible. What shall be the worst natural

unwieldy cloaks worn in Italy and Spain; of which a very small part is serviceable to the wearer, while the rest is not only useless, but cumbersome and oppressive."—*Eden's State of the Poor. Preface, p. xxi.* A large portion of the land thus described has been since brought into cultivation, with a constantly increasing return to both labour and capital.

agent employed, or, in other words, to what extent inferior soils shall be cultivated, or additional labour and abstinence employed at a comparative disadvantage on the cultivation of those which are more fertile or better situated, must always be determined by the wealth and wants of the community; by the quantity of agricultural produce which they have the power and the desire to purchase. While those wants can be satisfied by slightly cultivating only a portion of the most fertile and best situated land, that land, though highly productive, indeed more productive in proportion to the labour and abstinence bestowed on it than at any subsequent stage, cannot be a separate and independent source of value. It is then a natural agent universally accessible, and its produce, however large, will exchange only for the value of the labour and abstinence employed on its production.”\*

At that time, being under slight cultivation, it is deemed to yield a larger return to the labour that is bestowed upon it than at any other period, and accordingly it is supposed that wages and profits must be high. Mr. Malthus has, however, told us, in a passage already submitted to the reader,† that “in old states, experience tells us that wages may be extremely low and the profits of the cultivator not high, while vast tracts of good land remain uncultivated.” Such we see to be the case in both old and new countries. We see that in South America, where “only a portion of the most fertile land” is “slightly cultivated,” production is small, and wages and profits are low. We see the same thing in India, where the means of the inhabitants forbid any thing but slight cultivation, and where vast tracts of the most fertile land remain in a state of nature. We see it in Poland, in Russia, and in every country in which the superior soils only are in cultivation. What hope can they have of improvement, if all additional labour is to be attended with a diminished return? They have heretofore cultivated the superior soils which have scarcely furnished them food, leaving little for clothing, or for shelter, and still less for accumulation, and if the inferior soils will yield them still less, they must perish. They have, however, before them the fact

\* Outline of Political Economy, p. 173.

† *Ante*, page 182.

that the people of England,\* and of Scotland,† have become rich upon the inferior soils, while they were as poor as themselves when a limited population forbade the necessity for resorting thereto.

It is supposed that "each portion of soil, whatever be its fertility, *agricultural skill remaining the same*, generally gives a less and less proportionate return to each additional quantity of labour and abstinence bestowed on its cultivation," but that "increased agricultural skill and improved means of transport" tend to counteract this law of nature, "though they do not afford the almost magical increase of power which they give to the manufacturer."‡ We are not aware of any difference in the course of operation in regard to the return yielded to labour applied to the production of food, shelter, clothing, or fuel. The settlers, whose situation we have already described,§ were compelled to seek for *food* where it was provided by nature. They gathered the fruit and entrapped the animals that existed there, and expended no labour except that necessary for their appropriation. They *cultivated* the superior soil. As their numbers increased, the difficulty of obtaining food would make it necessary to have recourse to some more distant land, which, though abounding in game and fruit, would be less productive, because a considerable portion of the population would be required to transport the food that was appropriated. The possession of a gun would enable them to apply their powers with more advantage, and now a part of the land that had before been *culti-*

\* Sir F. M. Eden says, (*State of the Poor*, Vol. I. p. 48,) that in 1380 "a much greater proportion of the cultivated land seems to have been appropriated to tillage, than, from the inconsiderable number of mouths to be fed, we might have supposed would have been the case." Those lands were slightly cultivated, and the consequence was that the people were in the most deplorable state of poverty.

† "The half-ploughed fields yielded (1745) scanty crops, and manufactures scarcely existed. Almost every improvement in agriculture is of late date, for *no ground was then fallowed; no peas, grass, turnips, nor potatoes were then raised; no cattle were fattened;* and little grain was exported. \* \* The produce of the farm was barely sufficient to enable the tenant to pay a trifling rent and servants' wages, and to procure his family a scanty subsistence."—*Rev. Dr. Playfair, quoted by Mr. McCulloch, Statistics of British Empire*, Vol. I. p. 588. Such was the result of slight cultivation.

‡ Outline of Political Economy, p. 174.

§ Ante, page 9.

vated, would be found sufficient to supply the necessary quantity of food, but a large quantity of labour would still be required for transportation. An ox, or a horse, would diminish the labour required for that purpose, and labour would become still more productive. Here, each additional quantity of labour and capital would be attended with a greatly increased return from a diminished quantity of land. Next, let us suppose them possessed of a spade and a plough, and that instead of cultivating the superior soil—or that which yielded food to the labour spent in its *appropriation*—they should use an inferior soil that bore no fruit, but which would yield them eight or ten bushels of wheat\* in return for a given quantity of labour applied to agriculture. This inferior soil would yield such returns as would enable them to limit their excursions, and it would be found that but a comparatively small proportion of the settlers was required to supply food. The next improvement would be the application of manure, by which twelve or fifteen bushels would be obtained by the same labour, when it would be found that a second quality of inferior soil might be brought into action, and that each year enabled them to obtain an increased return to a given quantity of labour, as we see that it has done in all times past. The savage relies upon the superior soil to furnish his supplies, and perishes from hunger. With every improvement in cultivation, man has recourse to an inferior soil whereon nature has done less and man is required to do more, and with every change there is an increase in his means of living, accompanied by a decrease in the sacrifice required for obtaining it.

The same settlers, desirous of building a house, would be obliged to take such fallen timber as they could themselves

\* "The Indian looks with silent wonder upon the settler, who becomes visibly a capitalist in nine months, on the same spot where the red man has remained equally poor all his life. In February, both are alike bare of all but land and a few utensils. By the end of next November, the white settler has his harvest of corn; more valuable to him than gold and silver."—*Society in America*, by Harriet Martineau, Vol. I. p. 301. The Indian avails himself of the superior soil in the most "unexpensive" manner, by simply gathering the gifts of nature. The first settler scratches the earth with a plough—the second makes a deep furrow—and the third makes a rail road. Each brings into action an inferior soil, and each in turn obtains a larger reward for his labour.



carry. If their *constructive* "skill remained the same," while the settlement was increasing, each new house would require that they should go to an increased distance to collect materials, and they would have a constantly diminishing return to labour. They would apply themselves to the "superior soil," taking timber that had fallen and which was therefore produced for their use without the application of labour. Notwithstanding this, the return would be as small as, under similar circumstances, we have shown that it would be in food. At length they would obtain an axe, which would enable them to fell the trees for themselves, and now the inferior soils, (*i. e.* the standing timber) which they had passed over for years, would be rendered valuable. They would still, however, be compelled to limit their operations to trees of such size as they could transport by manual labour, and if the settlement increased without improved means of transportation, they would be obliged constantly to bring from a greater distance the timber they required. The possession of a wagon would enable them to bring into action another inferior soil, and the larger timber that had been entirely useless would be rendered of great value. By degrees saw-mills, turnpikes, and rail roads would be introduced, and with each improvement the inferior soils yielding the largest timber, or sandstone, or granite, would be brought into activity, with a constantly increasing return to labour.

In obtaining a supply of fuel the same course of operation would be gone through, until at length capital enabled them to cultivate the inferior soil containing coal, yielding a larger return to labour than at any antecedent period.

In supplying themselves with clothing, they would be required to pursue the chase, affording them a very uncertain return. By degrees it would be found that a few acres occupied by sheep would yield a larger quantity than hundreds of acres covered with bears, or deer. Sheep would be raised, yielding food and clothing and affording a vastly increased return to labour. This inferior soil would be vastly more productive than the superior one first *cultivated*, and which yielded clothing with no other labour than was required for its *appropriation*. If nothing but wool could be used therefor, the increase of population might make it necessary to have recourse to more distant

flocks; but the cultivation of another inferior soil, requiring labour in agriculture, and in the manufacture of its products into linen cloth, would limit the quantity of land required to be occupied by sheep, and, of course, the distance from which it would be necessary to bring wool. Another inferior soil, the distant land required for the cultivation of cotton, would be brought into action, and with each of these changes there would be a constantly increasing return to labour.

We have endeavoured to state this question fairly, and think our readers will agree that it has been so done, and we think also that they will agree with us that in every case, "with the cultivation of inferior soils," there is an increase in the facility of obtaining the comforts, conveniences, and necessities of life. We all know that, notwithstanding the increase of population, a house can now be obtained at the cost of vastly less labour than in former times, and that not so much is now required for one of brick, or of stone, as was formerly necessary to obtain one of wood. We know that fuel is much more readily obtained. The labourer can now command the use of clothing such as the proprietors of thousands of acres could not obtain when the superior soils only were in cultivation. We know that the changes in regard to *food* have been equally great; but it is said that these arise out of "improvements in agriculture," which suspends the action of a law of nature which forbids that additional labour bestowed on the cultivation of land shall obtain an equal, and still more an increased, return. No one doubts that, as capital increases, houses, and fuel, and clothing, will be rendered daily more and more easy of acquisition; yet there is the same reason for doubt that exists in the case of food. As yet, however, there is no instance in the world in confirmation of the theory of a diminished return to labour and capital; and if in thousands of years there has been no evidence of its truth, we may fairly conclude that it is not a law.

In the following passage Mr. Senior traces the progress of a colony.

"It [fertile land] becomes limited, however, in the very earliest stages of improvement. Both the causes and the consequences of this event may be illustrated by tracing the progress of a colony.

"When a body of emigrants arrives on the coast of an unoccupied

district, their first operation must be to fix the situation of their future metropolis; the seat of government, of law, of foreign trade, and of those manufactures which require the congregation of numerous workmen. We may suppose their numbers and the local advantages to be such as to enable them to occupy, within such a distance from their infant town as to render the expense of carriage immaterial, as much land of the highest fertility as each agricultural family may wish to cultivate. The agricultural produce thus obtained must sell for its cost of production to the producer; every consumer being able at will to turn a producer, with advantages equal to those enjoyed by the existing producers, and being unwilling to give for the result of a given amount of labour and abstinence on their part more than the result of an equal amount of labour and abstinence on his own part. Such a community rapidly increases in numbers and in wealth, and that increase is accompanied by an increased desire and ability to purchase agricultural produce. Until the supply of raw produce has been increased, the price must now rise above the cost of production. But when the most fertile lands within a given distance of the town have been occupied, there remain only three modes of increasing the supply: either 1. by cultivating the fertile lands at a greater distance from the town; or, 2. by cultivating the inferior land in its neighbourhood; or, 3. by employing additional labour and abstinence in the cultivation of the lands already occupied. Whichever of these plans be adopted, and probably they will all be adopted, the additional quantity must be supplied at an increased expense. The first is loaded with the expenses of carriage; and we know that a given amount of labour and abstinence is employed to comparative disadvantage, when applied either to the cultivation of inferior land, or to the further improvement of the best land.”\*

We ask the reader to compare this with the statement we have given in regard to the colonies of Western Australia,† and the Cape of Good Hope.‡ He will there find that, so far are they from “increasing rapidly in numbers and in wealth,” that they have been living upon their capital; that they have wasted immense sums, and have produced nothing; that they have had misery and wretchedness in abundance, and that in the latter settlement, commenced under the most advantageous circumstances, the unfortunate people would have perished but for the assistance received from India, and from England.

\* Outline of Political Economy, p. 173.    † *Ante*, p. 69.    ‡ *Ante*, p. 50.

Let him compare the amount of provisions that can be obtained for a given quantity of labour, and he will satisfy himself that they are produced at an "increased expense" when man goes from inferior soils, the labour upon which is aided by capital, to the fertile soils of a colony where it is not so aided.

In confirmation of the doctrine above quoted, Mr. Senior says,—

"It is necessary only to recollect that, if it were false, no land except the very best could ever be cultivated; since, if the return from a single farm were to increase in full proportion to any amount of increased labour bestowed on it, the produce of that one farm might feed the whole population of England."\*

Would it not be as correct to say that if capital applied to the manufacture of cotton goods, yielded always a proportionate result, a single cotton mill might supply the whole population of England? No one doubts that as capital employed in manufactures is increased, the greater is the result, but no one would suggest that if such were the case the whole might be applied in one place; yet we think that view would be quite as correct as the one here given.

"As the population of any given district becomes more dense, the surplus produce of its soil, or, in other words, the amount of its produce which remains after provision has been made for the subsistence of those by whom it is cultivated, has a constant tendency to increase; either because the increase of agricultural skill and capital increases its positive fertility, or because a diminution of its relative fertility, a diminution of its produce relatively to the numbers of its cultivators, forces the poorer classes to be satisfied with a less amount of raw produce; or from both these causes combined. Of these two causes of rent, one is a benefit, the other an evil. That we have in this country perhaps a million of acres capable of producing, with average labour, forty bushels of corn an acre, is a benefit; that we have not more than a million such acres is an evil. That the average amount of what an agricultural labourer produces much exceeds what is absolutely necessary for the subsistence of an agricultural family, is a benefit. That the extent of our fertile land, and the amount of our capital, in proportion to our population, are not sufficient to enable

\* Outline of Political Economy, p. 139.

him to consume, directly or indirectly, for his own advantage and that of his family, *all* that he produces, is an evil. To produce rent, both the benefit and the evil must co-exist. The one occasions rent to be demanded; but it is the other which enables it to be paid.”\*

Rent, being paid for the use of capital, is not an evil. If it were so, we should not find a constant increase of comfort accompanying a constant increase in the amount that is paid. Good cannot come out of evil. Were the fertile lands of England five times greater than they are, it would still be paid. There is no limit to the fertile lands of the United States, yet rents are paid, and they continue to rise. Any foreigner may come to America and have as much as he pleases for little more than the trouble of taking possession, yet the farmers near New York and Philadelphia do not deem it to their interest to transfer themselves thereto, because those lands want the application of that capital, the interest upon which is paid in the form of rent. A man will not place himself where land has no value, because he cannot there make wages. He prefers to pay for that in Illinois rather than take that in Texas as a gift. The interest upon the price he pays is his rent. Were it an evil he would avoid it. The settlers at the Cape of Good Hope paid no rent, but they were nearly starved.

It is deemed to be an evil that fertile land and capital are not sufficient to enable the labourer to consume all that he produces, but they are abundantly sufficient for that purpose. All that is requisite is that an equal division of the whole property of the community be made, and then each man can enjoy the income arising from his share. Were this done, however, another century would see a vast inequality of situation, as the active and intelligent the sober and industrious, would accumulate, while the dull and inactive, the idle and worthless, would dissipate, and the one would have thousands, or perhaps millions, at command, while the other would depend upon his daily labour for his daily bread, and pay rent for the use of land that had belonged to his father, or grandfather. In this inequality there would be no evil, nor is there any in that which now exists, except where the law tends to create it, as where taxes are wrung from a

\* Outline of Political Economy, p. 156.

whole people to be lavished upon individuals, or where the law limits the succession of property to an elder son, at the expense of his brothers and sisters. *Here there is evil.*

The fertile lands whose produce is at the command of the people of England are unlimited in extent. The people of Lancashire have as much control over those of Poland, Germany, and the United States, as they have over those of Devonshire, or Kent. Rent does not arise out of limitation of the productive powers of land, because there is no such limitation, but it is paid because the owner of capital in Devonshire has applied it to render his land productive, and the capitalist of Lancashire has employed his means in building mills, and both demand interest in that form. The greater the activity and energy of the people—the greater their sobriety, industry, and economy—the more rapidly will capital accumulate—the more productive will land be rendered—the more numerous will be the mills—the greater will be the amount of rent—and *with every increase of this "evil," the smaller will be the proportion of the earnings of the labourer required to pay it.* It is not deemed an evil that cotton mills are not sufficiently numerous to enable the labourer to consume all that he produces, yet there is as much reason for so doing in that case as in that of land. Where people are active and energetic, honest, sober, industrious, and economical, large rents are paid: where they are not so, the amount paid is very small. It would be most extraordinary if the possession of those qualities should be the cause of any evil whatever, yet, if it were an evil, to that alone could it be attributed.

Mr. Senior thinks that "high rents and the greatest abundance are incompatible,"\* yet we have constant evidence that rents rise with the increased abundance of the means of living. In the United States, and in England, wages and rents both rise rapidly, and so they will continue to do as capital continues to increase. The more rapid the growth, the more rapid will be the increase of rents, and of the comfort of the labourer.

Rent being ascribed to a scarcity of fertile land, Mr. Senior says, that—

\* Outline of Political Economy, p. 168.

"If we could suddenly triple the productive powers of all the land in this country, the population remaining the same, the whole amount of rent would fall, and the condition of all classes, except of that comparatively small class which subsists on the rent of land, would be much improved."\*

On the contrary, the situation of *all* would be improved. The owner of land would receive a greatly increased amount of commodities. Every member of the community would be enabled to consume a larger quantity of the products of the soil, or of those articles obtained in exchange for them. No advantage is, however, to be derived from thus speculating upon what would occur in the event of *sudden* changes. No such changes can take place. Production will be tripled, or quadrupled, or quintupled, but the change must be gradual, and with it there will be a gradual change in the habits of the people, rendering the increased production as necessary to them as that of the present day is to us.

Mr. Senior offers the following view of the difference of value caused by manufacturing and agricultural labour.

"We now proceed to consider some remarkable consequences of the proposition that additional labour when employed in manufactures is more, and when employed in agriculture less efficient in proportion; or, in other words, that the efficiency of labour increases in manufactures in an increasing ratio, and in agriculture in a decreasing ratio. And, consequently, that every additional quantity of manufactured produce is obtained, so far as the manufacturing it is alone concerned, at a less proportionate cost, and every additional quantity of agricultural produce is obtained, generally speaking, at a greater proportionate cost.

"So far as the price of any commodity is affected by the value of the raw material of which it is formed, it has a tendency to rise; so far as the price consists of the remuneration to be paid for the labour and abstinence of those employed in manufacturing it, it has a tendency to fall, with the increase of population.

"It is obvious that commodities of rude or simple workmanship are subject to the first rule, and the finer manufactures to the second. Bread may afford an instance of the first kind, and lace of the second. The average price in England of a half-peck loaf is now about

\* Outline of Political Economy, p. 186.

1s. 3d. Of this sum 10d., at least, may be assumed to be the price of the wheat; the wages and profit of the miller, baker, and retailer absorbing the remainder. If circumstances should arise, requiring the present supply of bread to be immediately doubled from our home-produce, it is obvious that the increased supply of wheat could not be obtained by merely doubling the amount of labour now employed in its production. It is impossible to say to what amount the increased difficulty of production would raise the price of wheat; we will, however, suppose it to be doubled, and the price of the wheat necessary to make a half-peck loaf to be 1s. 8d. instead of 10d.; at the same time the increased labour employed in its manufacture and sale would become more efficient. The miller and the baker would employ better instruments and a greater division of labour, and the retailer would be able to double his sales at little additional expense. The price of bread, so far only as its manufacture and retail is concerned, would be reduced perhaps one fourth, or from 5d. to 3 $\frac{3}{4}$ d. In which case, the whole result of the increased production would be that the half-peck loaf would sell for 1s. 11 $\frac{3}{4}$ d. instead of 1s. 3d.

"We will now see what would be the effect of an increased use of lace.

"At the present price of lace and cotton, a pound of cotton worth, in the Liverpool market, 2s., may be converted into a piece of lace worth one hundred guineas. Suppose the consumption of lace to double, and the increased difficulty of producing the additional quantity of the cotton fit for lacemaking to raise its price from 2s. to 4s. a pound; the price of the lace, supposing it still to be manufactured at the same expense, would be raised one thousand and fiftieth part, or from £105 to £105 2s. But it is impossible to doubt that the stimulus thus applied to the production of lace would improve every process of the manufacture. We should probably much underrate the amount of that improvement if we were to estimate the consequent saving of expense at one fourth; in which case the whole result of the increased production would be that the lace would sell for £78 17s., instead of £105; the same circumstances which would nearly double the price of bread would reduce by one fourth the price of lace."\*

In comparing corn, an article of immense consumption, with lace, one for which the demand is very limited, there is the same difficulty that would exist if we were to compare manu-



factured commodities in general with hot-house grapes. If the demand for the latter were doubled, more capital would be applied to their production, and they would experience the same effects as the lace. In comparing agriculture and manufactures, we must take them both on the same scale.

Mr. Senior supposes a double demand for corn, requiring *at once* the application of double the quantity of labour, while, on the other hand, there is supposed a double demand for lace, and allowance is made for the effects which time will have in lessening the cost. Suppose, however, that the demand for cotton goods were suddenly doubled, could the demand be supplied by doubling the quantity of people employed? Could the same machinery supply it? If it were attempted, would not the additional quantity of manufactures be obtained at an increased cost? Suppose the demand were to be increased at the rate of 20 per cent. per annum, could it be supplied except at a constantly increasing cost? If it were so to increase, would not the demand for mills be such as to raise the rents? Would not the orders for machinery far exceed the supply?—and would not the cost of manufacture increase? Such is precisely what has taken place within the last year.

When the increased demand for agricultural produce is the result of a steady and regular increase of the means of the people to purchase, it is supplied not only without increase, but with a constant decrease in the cost of labour, precisely as is the case in manufactures. When a sudden increase takes place in the demand for either provisions or manufactures, owing to any of those disturbing causes that have been so common, there is an immediate rise of price similar to that referred to by Mr. Senior.

The supply of corn required for the consumption of Great Britain and Ireland, is estimated to have been, in 1812, 42,750,000 quarters,\* nearly the whole of which was supplied at home, as the average import for 1811, 1812, and 1813, was only 338,000 quarters. In 1830, the population had increased not less than thirty per cent., requiring, with the same rate of consumption, about fifty-five millions. The average price of 1811, 1812,

\* M'Culloch. Dictionary of Commerce, p. 392.

and 1813, was £5 9s. 7d. per quarter, while that of 1830 was £3 4s. 3d., or on an average of ten years, ending with 1829, £2 18s. 4½d. per quarter.

The following extract from a report made August 2, 1833, by the agricultural committee of the House of Commons, of which Mr. Jacob was chairman, shows that in many parts of the country no reduction of money wages had taken place during that time.

"It appears, that in all parts of the country—in the most distressed as well as the most prosperous—the condition of the labourer is in no instance worse than it was five or ten years ago, and that in most cases their condition is greatly improved. The wages of labourers, the witnesses state, have not been reduced in proportion to the reduction in the price of the necessaries of life, and in many parts of the country *no reduction whatever has taken place in their money wages since the war*. This state of things is the more extraordinary, as the superabundance of labour is represented to be greater than ever, and the number who are out of employ, and who are provided for by the poor's rate, is very considerably increased."

As wages tend to equalise themselves, it follows that no *material* reduction could have taken place any where, and that the means of purchasing must have increased in the ratio of the reduction in the price of corn—*i. e.* the same amount of labour would purchase in the years from 1820 to 1830, nearly twice as much as in 1811, 1812, and 1813. This increase in the value of labour, when estimated in wheat, must have tended to increase very greatly the demand for the products of agriculture of every description, and we are within the mark when we estimate the increase in the consumption of corn, per head, at ten per cent. In the demand for animal food the ratio of increase must have been far greater. We will, however, take ten per cent. as the average increase in the demand for all agricultural products, consequent upon the reduced price, giving sixty millions as the quantity of corn required in 1830. The total amount thereof that paid duty in 1829, 1830, and 1831, was 7,263,184 quarters, giving an average import of nearly two millions and a half. It follows that the quantity raised exceeded fifty-seven millions,\*

\* We have no doubt that the production of food of all descriptions, in 1830, exceeded by at least fifty per cent. that of 1812.

not only without increased cost, but that *the labour required to produce it was so much reduced that, at about £3 per quarter, it enabled the labourer to make as good money wages as he could make with the smaller quantity produced in the former years at an average of £5 9s. 7d.* During the years between 1812 and 1830, nearly one thousand enclosure bills were passed, and vast quantities of inferior soils were taken into cultivation, yet labour employed in agriculture was almost twice as productive as before. Notwithstanding this, it is assumed that all extension of cultivation must be attended with diminished return.

During the same period the quantity of cotton entered for home consumption was quadrupled, and the fairest possible opportunity was given to show how far the ingenuity of man could succeed in reducing the cost of all its products. The following table, furnished by Mr. Kennedy, of Manchester, to a parliamentary committee, will show the change that took place in that period in the cost of spinning cotton yarn, *wages being estimated at the same rate*, and "the saving being entirely in the better application of the labour."\*

	1812.		1830.	
No.	s.	d.	s.	d.
40,	1	0	0	7½
60,	1	6	1	0½
80,	2	2	1	7½
100,	2	10	2	2½
120,	3	6	2	8
150,	6	6	4	11
200,	16	8	11	0
250,	31	0	24	6
	<hr/>		<hr/>	
	£3	5 2	£2	8 7

This table shows a reduction of one fourth in the labour, while that required for the production of corn had fallen forty-two per cent. The labourer in 1812, with one quarter of corn could purchase 1½ hanks of each of the above mentioned descriptions of cotton yarn, whereas in 1830, with the same quan-

\* Baines's History of the Cotton Manufacture, p. 353.

tity he could purchase only  $1\frac{1}{2}$ . Notwithstanding this, Mr. Senior is of opinion that,

"Additional labour when employed in manufactures is more, and when employed in agriculture is less, efficient, in proportion; or in other words, that the efficiency of labour increases in manufactures in an increasing ratio, and in agriculture in a decreasing ratio."\*

The contrast between agriculture and manufactures is continued on another occasion.

"The difference between the efficiency of agricultural and manufacturing industry which we have now to consider, consists in the power which agricultural industry possesses, and manufacturing industry does not possess, of obtaining an additional product from the same materials. \* \* \* No additional labour or machinery can work up a pound of raw cotton into more than a pound of manufactured cotton; but the same bushel of seed-corn, and the same rood of land, according to the labour and skill with which they are treated, may produce four bushels, or eight bushels, or sixteen."†

The application of machinery to the production of cloth enables man to produce from a single bushel of seed and a single rood of land more clothing than could have been obtained from fifty acres traversed by wild beasts, who consumed the *seed-corn* supplied by nature. Capital applied to the making of roads and canals is a most efficient aid to the agricultural labourer, because it enables him to transport readily his products to market, yet the pound of cotton placed on the canal is only a pound of cotton at the place of manufacture. When applied to the conversion of flax, or cotton, into cloth, it is in like manner an efficient aid to agriculture, because it enables the labourer to obtain, by the labour of a few days, as much clothing as would otherwise have required as many weeks. The earth furnishes the materials for food and clothing, and man can do no more than alter that which it yields him. To cause those materials to grow is the business of the agriculturist, and to convert them is that of the manufacturer. One is as efficient an agent of production as the other.

"If 300,000 families are now employed in Great Britain to manufacture and transport 240,000,000 of pounds of cotton, it is absolutely certain that 600,000 families could manufacture and transport

\* Outline of Political Economy, p. 178.

† Ibid. p. 163.

480,000,000 of pounds of cotton. It is, in fact, certain that they could do much more. It is not improbable that they could manufacture and transport 720,000,000. The only check by which we can predict that the progress of our manufactures will, in time, be retarded, is the *increasing difficulty* of importing raw materials and food.”\*

The statements given above of the changes that have taken place in the labour required to produce raw materials and food, must satisfy the reader that the increased labour applied to agriculture has been at least as productive as that applied to manufactures, and that so far is the increase of supply from being attended with “*increasing difficulty*,” it is accompanied by a constantly increasing *facility*. Had not tithes and corn laws prevented the improvement that would otherwise have taken place, the change would have been vastly greater.

Mr. Senior thinks that the effect produced upon agriculture by taxes is different from that produced upon manufactures. Thus he says—

“We wish to draw the attention of our readers to the contrast between his [the farmer’s] situation and that of the manufacturer, whom any tax, however slight, if unaccompanied by a rise of price, must in time force to discontinue manufacturing. What is a remedy to the agriculturist is an aggravation of evil to the manufacturer; a diminution of capital makes what remains in agriculture more productive, and makes what remains in manufactures less so.”†

It is supposed that the tax on the manufacturer would lessen consumption and diminish his means of improving his machinery, while foreigners, untaxed, might supplant him in his market. As regards the question between natives and foreigners, we do not propose to examine it, considering the world one nation. We propose to show that any tax imposed on one, acts in the same way as upon the other. If a heavy duty be laid on cotton goods, without a proportionate augmentation of price, the means of the manufacturer are diminished, and he cannot improve his machinery—or if the price be augmented in proportion, the consumption is diminished, by which his profits are reduced, and the diminished consumption lessens the necessity for additions to his machinery, while his diminished profits lessen his power of improving its quality. The consequence is that

\* Outline of Political Economy, p. 165.

† Ibid: p. 180.

the cost is greatly increased, whereas had the tax not been imposed, the constant accumulation of capital would have led to equally constant improvements of machinery, reduction of cost, and increase of demand.

Were the tax imposed on corn, Mr. Senior supposes the only effect would be to drive out of cultivation the inferior soils, thus lessening the production, without a corresponding decrease of demand, and causing the capital remaining in agriculture to be more productive than before. We have seen, however, that with the extension of cultivation there has been a constant increase of wages and of profits, and that they have increased most rapidly in those countries in which it has been most rapidly extended, viz., the United States and Great Britain. Such being the case, we may fairly infer that any measure tending to prevent the growth of capital and the extension of cultivation, must tend also to diminish both wages and profits. Such would be the effect of a tax upon corn. It would prevent the improvement of communications, and the inferior soils would remain waste—production would no longer keep pace with population—the price of corn would be increased—its labour value would rise—the labourer would find increased difficulty in obtaining it—his share of the product of labour would be diminished—his wages would be reduced—his power to accumulate capital would be diminished, and with it his ability to improve his mode of cultivation. The capitalist would have the power to take an increased *share* of the product that remained after paying the tax, but the *quantity*, and his profits, would be diminished. The effects would be in all respects the same as those produced by a tax on woollen or cotton cloths.

In either case the effect must be to lower wages universally, and to increase the difficulty of securing future income. The man who occupied the most remote farm, or mill, would still continue to do so, submitting to the reduction of wages thus occasioned. The same quantity would still be produced, because the same labour would still be applied, but the farmer and manufacturer would find that the increase of price was no compensation for the tax imposed—that they could not avoid the payment of their share of the burthen. Instead of continuing to produce the same quantity, they would, had the tax not been imposed, have gone on to increase their machinery of production—new

roads and canals would have been made—new mills would have been built—new lands and new water powers would have been brought into activity, with a constant increase in the quantity of rent received by the owners of the lands, or mills, previously occupied.

The mode in which taxation, in the form of tithes, for the support of the church, tends to affect the distribution of the proceeds of labour, is thus stated by Mr. Senior:

“If we suppose a country to be divided into ten districts, designated by the numbers from 1 to 10, each of equal extent, but each of a different degree of fertility, No. 1 producing at a given expense, two hundred quarters of corn, and the amount of the produce, at the same expense, of each quality of land, diminishing by ten quarters until we come to No. 10, which produces only one hundred quarters, we shall find that when No. 1 only will pay for cultivation, it affords twenty quarters for tithes, and no rent. When the price of corn has risen sufficiently to enable No. 2 to be cultivated, there will be on Nos. 1 and 2 thirty-nine quarters for tithes, and on No. 1, ten for rent. \* \* \* When No. 5 has become worth cultivating, there will be on Nos. 1, 2, 3, 4, and 5, ninety for tithes, and on Nos. 1, 2, 3, and 4, one hundred for rent. Rent has now passed tithes, and its subsequent superiority is very striking. When No. 6 has become worth cultivating, there will be one hundred and five for tithes, and one hundred and fifty for rent. \* \* \* When No. 10 has become worth cultivating tithes will be one hundred and fifty-five, and rent four hundred and fifty.”\*

Following out the idea that the only effect of taxation upon agricultural produce is that of preventing the extension of cultivation over inferior soils, yielding a constantly diminishing return to labour, he says,

“We believe, indeed, that the ultimate effect of tithes is to lower the price of raw produce; but all that we have undertaken to show is, that they do not raise it.”†

We are disposed to believe that the reader must be satisfied that land has no value but that which is given to it by the labour applied to its improvement, and that it is governed by the same laws which govern all other capital. If so, a tithe upon corn, or other agricultural products, must operate in the same manner as a tax upon shoes or coats. If a law were now passed requiring every producer of those commodities to give one tenth of all that he produced to the government, or to the church,

\* *Outline of Political Economy*, p. 181.

† *Ibid.*

or to destroy them, what would be the effect? It is obvious that the shoemaker and the tailor would relinquish their trades, unless they could obtain as much wages as they could have in any other pursuit, and they could do this in no other way than by raising the prices of their commodities, and demanding in exchange for them a larger quantity of corn, tea, sugar, &c. The producers of the latter would obtain fewer shoes and hats in exchange than they had been accustomed to have. If the tax were universal the effect would be to diminish the quantity of commodities of every description at the command of the labouring classes throughout the world. If it were local, the whole weight would fall upon those that were subjected to it, because they could obtain from foreigners no greater quantity of commodities than would be accepted by those manufacturers of hats and shoes, who paid no such tax. The owners of capital subjected thereto would find it inexpedient to invest it in extending the production of either of those commodities, and would seek elsewhere for more profitable modes of investment; but if they found similar restrictions upon its employment in agriculture and in shipping, much of it would be sent abroad, or would remain idle. The labourers would be deprived of the power of using it in the mode most likely to yield them a return, and thus while both labour and capital were superabundant, production would be diminished, and the quantity of commodities to be distributed among the owners and employers of capital would be diminished. The former, always seeking employment for his means, would be obliged to content himself with a small proportion, leaving to the labourer a larger proportion; but the comparative unproductiveness of labour would render this larger proportion much less productive of the necessaries and comforts of life than it would otherwise be.

The capitalist would not apply his means to the improvement of land, unless he saw that it would yield, I. the wages of the labourer, II. the ordinary profits of capital, and III. the amount of the tithes. If a given quantity of capital could be expended in such manner as to produce two hundred quarters, one hundred and eighty of which would be required for wages, he might be satisfied with the remaining twenty for profits; but that is claimed as tithe. He would be, therefore, compelled to wait until a



further increase of facilities of transportation, or further improvement in agriculture, should enable him to have two hundred and twenty quarters. When that time arrived he might have more distant land that would then yield two hundred and twenty quarters, but that must wait for further improvements, and thus the extension of agriculture would remain always behind the point at which it would be, by the whole amount claimed as tithe.

It is said, however, that the abolition of tithes would have no other effect than to enable the landlords to demand more rent, and in evidence we are told that in all cases where they are in the hands of lay impropiators, they receive both *tithes and rent*. Such would be the case in all other pursuits. If a tax of one tenth were laid upon all shoemakers, the price of shoes would rise, and if one fourth of them could compromise for the tax, they would not, in consequence of having so done, sell their commodities any cheaper. They would know that no new labour could be applied to making shoes without paying that tax, and that the effect would be to prevent any man from commencing the trade, unless he could obtain the advanced price. The landlords know that no new land can be brought into cultivation unless it will pay wages, profits, and tithe, and they can therefore enforce their claim for the payment of them. If tithes were abolished, vast bodies of land that are now waste would be brought into cultivation—a new demand for capital would be created—production would be increased—wages would rise—and the lay impropiators of tithes would find that they must reduce their claims or they could find no tenants. *The increased productiveness of capital, consequent upon the abolition of the present restrictions upon its employment, would be attended with an increase in the proportion of the capitalist; the rate of profit would rise, and the necessity for corn laws would be obviated.* The labourer would not have so large a proportion of the one hundred quarters produced, as he now has of the ninety that remain after the tithe is deducted, but he would have a vastly increased power of obtaining the necessaries of life.

In proof of the correctness of this view, we need only appeal to Scotland, where the lands are tithe free, and the capitalist is not impeded in his operations by such a tax upon the product of his investments. The advance in Scottish agriculture has

been immensely great within the last half century\*—so much so, that it is now considerably in advance of that of England.† Production is increased—but the labourer has a smaller proportion of the product,‡ and the landlord retains a larger proportion than in England. . The *average quality* of labour is lower in Scotland, as it is not generally aided by capital to the same extent. The landlord enjoys a double advantage in being enabled to obtain a machine of a productive power exceeding the average, and of selling its produce in a market in which the machinery for the production of corn is kept, by tithes, below the average. He has therefore a very large proportion of the product.

If, in imposing a tax of ten per cent. upon all shoes made in Great Britain, a clause were inserted in the law that those

\* "In the Lothians, the increased production is stated to amount to one third within the last ten years."—*M'Queen. Statistics of British Empire*, p. 30.

† "In some counties, teams of three, four, and very frequently five, horses are employed in the tillage of the lightest soils; and on heavy soils a greater number are sometimes made use of. Notwithstanding this excess of horses, the furrow is seldom above four inches deep on light, and six inches on heavy, soils; nor is there generally more than three fourths of an acre ploughed in a day. Of course, when there are more than three horses, a driver as well as a ploughman is necessary."—*M'Culloch's Statistics of British Empire*, Vol. I. p. 465.

"In the vale of Gloucester it is customary to use seven horses! Various circumstances have conspired to account for the prevalence of pasture in England. It is partly, no doubt, ascribable to the humidity of the climate, and the natural adaptation of the soil to bear luxuriant crops of grass; partly to the taste of the inhabitants for butcher's meat, and partly, also, to the serious obstacle opposed by *tithe to the extension of tillage.*"—*Ibid.* p. 485.

"In the rich soil of Essex, the wretched system of fleet ploughing, and whole year fallows, is still pretty generally followed; the agriculture of Sussex is said to be at least a century behind that of East Lothian or Norfolk; and in some of the midland counties, it is customary to yoke four or five horses to a plough for the tillage of light land."—*M'Culloch's Principles*, p. 456.

‡ "To the honour of Scotch cultivators it should be observed, that they have applied their capitals so very skilfully and economically, that at the same time that they have prodigiously increased the produce, they have increased the landlord's proportion of it. The difference between the landlord's share of the produce in Scotland and in England is quite extraordinary—much greater than can be accounted for, either by the natural soil or the absence of tithes and poor-rates.—See Sir John Sinclair's valuable Account of the Husbandry of Scotland; and the General Report, not long since published—works replete with the most useful and interesting information on agricultural subjects."—*Malthus. Principles of Political Economy*, p. 176.

made in France should be admitted free of duty, the immediate effect would be to transfer capital to that country to be employed in their manufacture, with a view to benefit by the monopoly thus granted. The machinery for making shoes would improve rapidly and the product of labour would be far above the average, but only a small portion of this improvement would, for a considerable period, accrue to the workman. Although able, with its assistance, to produce two pairs of shoes where he had been accustomed to produce one, if he demanded any considerable increase of wages, there would be numerous persons, then earning the ordinary wages of France, anxious to take his place. There would be a tendency to improvement in the compensation of all labourers, consequent upon the increase of capital; but while capital and labour applied to the making of shoes yielded a much larger return than that applied to the production of all other commodities, the proportion of the capitalist would continue very great. Such is the case in some parts of Bengal, where, under the permanent settlement, capital has accumulated to a considerable extent, and has been applied to the improvement of cultivation. Production is considerably above the average, and the capitalist retains an unusually large share.\* As capital increases and becomes more generally diffused, the average quality of labour will be improved, the *share* of the labourer will rise, and that of the capitalist will fall. The distribution is regulated by the average product of labour, and where particular machines yield more than the average product the proportion of the capitalist is great, as has already been shown.†

Mr. Senior says,

“It appears, that in a new or ill peopled country, where the abundance of land and the want of agricultural capital almost prevent the existence of rent, in the economical sense of the word, tithes are the only endowment which a clergy can receive from the soil. We see, therefore, why they were adopted for the Israelites, who, in fact, were colonists, and by our Danish and Saxon ancestors.”‡

\* It is so large, that, in some cases, property would sell, according to Mr. Montgomery Martin, at seventy years' purchase of the rent.

† Page 89, *ante*.

‡ Outline of Political Economy, p. 182.

Any other tax on capital and labour would have precisely the same effect. Land is selected as the subject of taxation because it is the only source from which can be drawn the food and the clothing necessary for man, and the tax is paid because of the necessity that the occupants are under for using it.\* Were, however, any one of the United States to impose a similar tax for any purpose, the immediate effect would be to drive abroad both labour and capital—both would diminish instead of increasing, and the neighbouring states would be advanced at its expense. Such is the effect upon England. Wages and profits are both reduced, and labour and capital are driven abroad to seek employment, which, under other circumstances, might be more advantageously obtained at home. The rental has fallen since 1815,† while in Scotland it has risen,‡ and such will continue to be the case. If all ships built in the one were subject to a tax of ten per cent., while all that were built in the other were free from it, would not all the shipping of Great Britain be built, if possible, in Scotland? If all capital invested for the improvement of land in England be subject to tithe, and that applied in Scotland be exempt, must not the effect be to drive cultivation to the latter?

It is to the exemption of that country from this tax, that its rapid progress within the last half century must be attributed, and it is the subjection of Ireland to it that, in part, causes its comparatively slow progress. If the State of New York were subject to it, while that of Pennsylvania were free, we hazard little in saying, that at the expiration of half a century the difference in their agriculture would be as great as between that of Scotland and England, notwithstanding all the advantages of the former State.

“Profits may be considered in three points of view: first, as to their rate; secondly, as to their amount; and, thirdly, as to the

\* Taxes are always imposed on articles of the first necessity. In India, France, Austria, and other countries, salt is monopolized, because it is impossible to dispense with its use, and a large revenue can therefore be drawn from it.

† Such is stated to be the case by Mr. M'Queen, but we have no means of ascertaining what is the extent of the change.—*Statistics*, p. 14.

‡ “It appears from the new statistical account of Scotland, so far as it is published, that the rental has in general increased. In some parishes there is a little decline, but in others there is a very material increase.”—*M'Queen*, p. 14.

amount of desirable objects which a given amount of profit will command. The causes which decide the rate of profit have been already considered. It has been shown that they depend on the proportion which the supply of capital employed in providing wages bears to the supply of labour. The rate being given, the amount of the profit received by any given capitalist must depend, of course, on the amount of his capital. It follows that, when the rate of profit falls in consequence of an increase of capital without a proportionate increase of labourers, the situation of the existing capitalists, as a body, cannot be deteriorated, unless the fall in the rate has been so great as to overbalance the increase of the amount. Two millions, at five per cent., would give as large an amount of profit as one million at ten. At seven and a half per cent. they would give a much larger. And such is the tendency of an increase of capital to produce, not indeed a corresponding, but still a positive increase of population, that we believe there is no instance on record of the whole amount of profits having diminished with an increase of the whole amount of capital.\*

It is supposed that profits tend to fall, but that the amount to be divided among the capitalists, *as a body*, does not fall. This would be poor consolation to the owner who found his means of enjoyment in a course of constant reduction. Profits, however, do not fall. Any given quantity of capital will now give the possessor a greater command over the conveniences and enjoyments of life than at any past period. The fall in *the rate of profit* is a necessary consequence, and an evidence, of the increased productiveness of labour.

"Totally distinct from the amount of profit is the amount of desirable objects which a given amount of profit will purchase. A Chinese and an English capitalist, each of whose annual profit will command the labour of ten families for a year, will enjoy in different degrees the comforts and conveniences of life. The Englishman will have more woollen goods and hardware, the Chinese more tea and silk. The difference depends on the different productiveness of labour in China and in England in the production of those commodities which are used by the capitalists in each country. In the command of labour, and in the rank in society which that command gives, they are on a par. We have seen that, as population advances, labour has a tendency to become less efficient in the production of raw produce,

\* Outline of Political Economy, p. 212.

and more productive in manufactures. The same amount of profit, therefore, will enable the capitalist in a thinly peopled country to enjoy coarse profusion, or among a dense population moderate refinement. A South American, with an annual income commanding the labour of one hundred families, would live in a log-house on the skirts of a forest, and keep, perhaps, one hundred horses. An Englishman, with the same command of labour, would live in a well furnished villa, and keep a chariot and pair. Each would possess sources of enjoyment totally beyond the reach of the other.”\*

To estimate profit by its command of *labour* leads to great error. With every increase in the productiveness of capital, there is a diminution in the quantity of labour that it will command. When it is most productive, any given amount of capital will command *least labour*, but *most commodities*. Having already shown this very fully,† we shall not repeat the argument.

The following passage gives Mr. Senior's views of the relative interests of the labourer and the capitalist.

“The labourer is far more interested in the comparative rate of profit than in the comparative period for which capital is advanced. The productiveness of labour and the period of advance being given, we have seen that the amount of his share of the product depends on the rate of profit. It is his interest, therefore, in the first place, that when capital is employed *in the production of the commodities which he consumes*, all other things remaining the same, the rate of profit should be low. And if it were possible that the rate of profit in other employments could be higher, capital would be diverted from the only production in which the labourer is directly interested—the production of commodities for his own use—and the general fund for the maintenance of labour would be diminished. All other things, therefore, remaining the same, it is the labourer's interest that the rate of profit should be *universally low*. But it must be recollected, first, that the average period for which capital is advanced, especially in the production of the commodities used by labourers, is so short that the capitalist's share is small even when profits are high: if the advance has been for six months, the capitalist's share, at the rate of twenty per cent. per annum, would be less than one eleventh: and, secondly, that a high rate of profit is generally found to accompany a great productiveness of labour. And therefore that, in general, *the*

\* Outline of Political Economy, p. 212.

† Page 76, *ante*.

*labourer is better paid, or, in other words, receives a larger amount of commodities when profits are high*, that is when he receives a small share, than when profits are low, that is when he receives a large share, of the value of what he produces. The increase of the labourer's share from ten elevenths to twenty-one-twenty-seconds, which would be the consequence in the case which we have supposed of a fall of profits by one half, would add very little to the *amount* of his wages.\*

On the contrary, it is the interest of the labourer that profits should be *universally high*. They can be so only when production is great, and the greater it is, the larger is the *proportion* of the labourer. Mr. Senior supposes high wages to be accompanied by a small share of production. We trust we have satisfied the reader that wages rise with the increase of the labourer's share, and that profits rise with the diminution of the capitalist's share, and that it is the interest of the workman that capital should be productive, and its reward, in commodities, large, certain that every increase of profit is attended with the power on his part to retain a larger share of the commodities he produces.

Mr. Senior supposes, that

"The inequality in the rate of profit throughout the civilized world is much less than the inequality of wages."†

If profit be measured by the *rate of interest* such will be found to be the case, but if it be measured by the income secured by any given quantity of labour accumulated in all its various forms—of lands, houses, &c.—it will be found to be otherwise. Where the superior soils only are cultivated the labour required to secure in old age a given income is great; but as population increases—as capital accumulates—and as the inferior soils are cultivated, there is a constant diminution. Any given quantity of labour will secure the future enjoyment of a larger quantity of commodities in the United States, and in Great Britain, at the present time, than at any time past, or than can be obtained in any other part of the world.

\* Outline of Political Economy, p. 211.

† Ibid. p. 223.

## CHAPTER XVI.

## REVIEW. CRITICAL DISSERTATION ON VALUE.

THE author of "A Critical Dissertation upon the Nature, Measure, and Causes of Value," denies that labour is its sole cause.

He divides "commodities, or things possessing value," into three classes, as follows—

"1. Commodities which are monopolized, or protected from competition by natural or adventitious circumstances.

"2. Commodities, in the production of which some persons possess greater facilities than the rest of the community, and which therefore the competition of the latter cannot increase, except at a greater cost.

"3. Commodities, in the production of which competition operates without restraint.

"A cursory attention to these classes will at once show, that their respective causes of value cannot be the same. Let us therefore take them in detail, and examine the causes operating on each class."\*

He says—

"Monopolies may be divided into two kinds; those in which there is only one interest concerned, and those in which there are separate interests."†

Of the first he says—

"Those peculiar wines which are produced in very limited quantity, and those works of art, which from their excellence or rarity have acquired a fanciful value, will be exchanged for a very different quantity of the produce of ordinary labour, according as the society is rich or poor, as it possesses abundance or scarcity of such produce, or as it may be in a rude or polished state."‡

Of the numerous authors and painters who have flourished since the revival of the arts and of letters, the works of a very small number still retain a value equal to that of the talent which would be necessary for their reproduction. Were Raffaele, or Titian, restored to life, their works, now executed, would be worth almost as much as they command under ex-



isting circumstances, while those of many of their contemporaries would have little more value than that of the canvass upon which they were painted. The former have not risen much above what would be the cost of *reproduction*, while the others have fallen below the cost of *production*. Had the family of Shakspeare preserved a copyright in the works of their illustrious ancestor, its value would be immense, but not greater than would be that of equal ability employed in the production of similar works at the present time.

Were Burgundy reduced to the situation in which it existed under Charlemagne, it would be found that the cost of bringing it into its present state would be greater than its present selling price. The accumulated capital of former times, in vineyards, is not equal in value to the labour that would now be required to clear the ground, prepare the soil, erect the buildings, and make the roads and other improvements from which its present value is derived. *Chambertin* and *Clos de Vougeot*, like the pictures of Titian and the works of Shakspeare, have preserved a value nearly approaching that at which they could now be reproduced, while much of the labour expended upon other lands, other pictures, and other books has left no trace behind. Much, however, of that which is attached to the possession of all the articles thus referred to is the result of fashion, and a picture that sells at one time for £1000, may afterwards produce but £500. The Valdarfer Boccacio was purchased by the Duke of Marlborough for £2,200, and a few months afterwards was offered for £800. Such values are fanciful, and subject to no laws. At one time a particular species of wine is in demand because it is fashionable, while at another it is rejected, and the vineyard which produces it ceases to have much value.

It is admitted that these values depend upon the state of society, and that they tend to rise with the increase of wealth. That wealth consists in the possession of roads and canals, and other machinery, by which the quality of labour is improved and value is given to such places as produce fine wines and silks. When labour is inferior in quality there is little demand for either, because it will scarcely command a sufficient supply of the commonest necessities of life. Improvement in the quality of common labour is accompanied by a rise in that of

a superior quality, and Scott and Wilkie are, in consequence, much better remunerated than were Shakspeare and Titian. The works of the latter, being superior to those now produced, are in demand, and their value is estimated in accordance with the value of similar labour in our own day—or at the probable cost of reproduction.

Monopoly from adventitious circumstances does not require much consideration. If a warehouse containing large quantities of corn be destroyed, the holders of the remainder enjoy a temporary monopoly, but the price is limited to the cost of reproduction, or that of importing a sufficient quantity to replace that destroyed. A deficiency in the crop of cotton, or of coffee, causes a temporary advance of price, consequent upon the diminution in the quantity obtained by the cultivator in return for a given amount of labour. Any circumstance that diminishes the supply of any commodity, tends to augment the quantity of labour required for its purchase, and of course to diminish the quantity at the command of the labourer.

“The second class of commodities embraces articles of more importance (with the exception of labour) than that which we have just considered. When a commodity is of a kind which admits of being increased by industry and competition, but only at a greater cost, the possessor of the cheaper means of producing it has evidently a monopoly to a certain extent, and the value of the commodity will depend on the principles already explained, until it reach such a height as will afford the ordinary profit to those who produce it at a greater expense. The same causes will be in operation, but instead of the value of the article having no assignable boundary, it will be limited by the watchful competition, which is ever ready to act upon it the moment it has exceeded a particular point.

“Under this head we may class the important articles of corn, raw produce in general, metals, coals, and several others. As one commodity, however, will elucidate the rest, we may confine our observations to the first.

“The value of that corn which is produced on lands paying rent, is not, it is acknowledged, in proportion either to the capital or to the labour actually expended in its production. It must be owing, therefore, to some other cause; and the only other cause is the state of the supply and demand, or the competition of the purchasers. This competition might raise the price to an indefinite height, if it were not

for the existence of other lands, which, although they could produce corn only at a greater cost, would be brought into cultivation as soon as the price had risen sufficiently high to pay the ordinary profits on the capital required. It is, therefore, the possibility of producing corn, or the actual production of it, at a greater cost, which forms the limit to its value. But although this is the limit beyond which its value cannot rise; it cannot be said to be the cause of its value. It is the cause of its being no higher, not the cause of its being so high. A perforation in the side of a vessel, at any distance from the bottom, would effectually prevent its being filled to a greater height with water, but it would be no cause of the water attaining that height. At the utmost it could be considered as only a joint cause of the result.

"We accordingly find that the expression used by Mr. Ricardo on this subject is, not that the value of corn is *caused*, but that it is *regulated* by the cost of production on the least fertile lands. The owners of land of superior fertility enjoy a monopoly, which, however, does not enable them to raise their commodity indefinitely, according to the varying wants and caprices of mankind, but which is bounded by the existence of inferior soils.

"It is simply out of this monopoly-value that rent arises. *Rent proceeds, in fact, from the extraordinary profit which is obtained by the possession of an instrument of production, protected up to a certain point from competition.* If the owner of this instrument, instead of using it himself, lets it out to another, he receives from him this surplus of profit under the denomination of rent. In this view of the subject, the extraordinary profit might exist, although the land in cultivation were all of the same quality; nay, must exist before inferior land was cultivated; for it could be only in consequence of extraordinary gains obtained by the monopolizers of the best land, that capital and labour would be expended on soils of a subordinate order. Rent, therefore, might exist, while all the land under cultivation was of equal fertility. Perhaps it might not exist under these circumstances during any long period, but its existence at all would prove that it was the effect of monopoly, an extraordinary profit, and not the consequence of the cultivation of inferior soils.

"The extraordinary profit out of which rent arises, is analogous to the extraordinary remuneration which an artisan of more than common dexterity obtains beyond the wages given to workmen of ordinary skill. In so far as competition cannot reach them, the owner of the rich soil and the possessor of the extraordinary skill obtain a monopoly price. In the one case this monopoly is bounded by

the existence of inferior soils, in the other of inferior degrees of dexterity.”\*

The writers whose works we have reviewed do not deem rent to result from the cultivation of inferior lands, but from the “necessity” for having recourse to them, which must exist before their cultivation can take place, and is supposed to cause the rise of price which leads to it. That necessity would be deemed the cause of the “vessel” being filled to a given height, and the existence of inferior soils would be considered as the “perforation” which prevented the water from rising higher.

The reader, however, has seen that as cultivation is extended there is a constant increase in the amount of production, giving an increase of wages to the labourer, and of profits to the owner of capital, and also, that there is a constant tendency to fall in the relation which capital bears to labour, in consequence of the superiority of the machinery, agricultural and manufacturing, now used, when compared with that accumulated in past times. A farm yielding crops similar to those given by the most fertile land in the time of Edward III, and possessing the same facilities for transporting its products to market, would now be totally valueless, as it would not enable the occupant to make wages. The present value of the fertile lands then occupied arises from the constant application of labour, and during the whole period in which that has been applied wages and profits have both risen. If monopoly were the cause of the power to demand rent, every additional application of capital would have been attended with a diminution of the return, diminishing the wages of the labourer and the profits of the capitalist.

The receiver of rent is no more chargeable with monopoly than the owner of a steam engine, or of a cotton factory. Neither of them, if five years old, would sell for as much as it had cost to produce, nor would a farm, consisting of the most fertile land, exchange for the quantity of labour that had been required to bring it into its present condition. We have shown that all England would not exchange for as much as would be required to reproduce it, and of course that the whole value is the result of that which has been expended upon it. The owners of the

superior soils have been longer at work, have expended more capital, and now receive interest for its use in the form of rent. Not one of them could obtain as much for his land as its actual cost, because of the constantly increasing facility of obtaining other land that will yield an increased rate of wages and profits.

In regard to the third class, or articles in the production of which "competition operates without restraint," the author says, their value

"May be correctly stated to arise principally from the cost of production; and that cost of production may be either labour or capital, or both. Whatever the mere labourer produces costs him his labour: if a man is a capitalist as well as a labourer, what he produces costs him both: if he is only a capitalist, it costs him only capital. In a civilized country instances of each kind may be found, but the mass of commodities are determined in value by the capital expended upon them."\*

He thinks, however, that the amount of capital, although the chief, is not "the sole cause of value," and attributes some "to the discredit, the danger, the disagreeableness, of any method of employing"† it, and to the time which "a commodity requires before it can be brought to market." What applies to the employment of capital applies equally to that of labour. Different pursuits require different exertions and different sacrifices of comfort, and such sacrifices are always to be paid for. The man who spends his day in a mine must be paid more than his neighbour who is employed in the open air and enjoys the light of heaven, and the day's labour of the one will not purchase that of the other. He agrees therefore with us that "it must be altogether incorrect to designate *quantity* of labour as the sole cause, when *quality* of labour is so steady in its effects."‡

The substitution of *capital* for *labour*, as the cause of value, requires examination. If any given number of men employed themselves in entrapping birds, the whole result would be the reward of labour exclusively. If each of them obtained a gun, each would kill many more birds than he could trap, and the whole quantity so killed would be wages, as no one of them, being possessed of a gun, would work for another unless he could

\* Critical Dissertation on the Nature, Measure, and Causes of Value, p. 205.

† Page 206.

‡ Page 213.

obtain quite as much as he could by using it. The *quality* of labour is here improved by the aid of capital, but there is no question of profits, because each man uses his own capital. If one half possessed axes, and the remainder guns, and if a gun were always to be had for the same quantity of exertion that was required to obtain an axe, a day's labour of the one would exchange for a day's labour of the other. If, however, only one half of the community had been sufficiently industrious and economical to accumulate capital, and if, of that half, each possessed a gun *and* an axe, while the remaining half were destitute of either, it would be necessary for the latter to make arrangements with the former to procure the loan of those aids to labour, and they would be obliged to give a certain proportion of the product for their use. The whole return to labour would be precisely the same as if each man owned his instrument, but the distribution of the proceeds would be somewhat different.

Where the operations are more complicated, their nature is precisely the same. The average return to labour in every community is dependent upon the quality and quantity of machinery by which it is aided, and the quality of labour is improved as that machinery is increased or improved. Some men own more machines than they can use, while others could use machines which they do not possess. One wants some person to use his surplus machines, and another wishes to find a person that has more than he can use, and their mutual interest brings them together. The whole product is the return to labour, but the proprietor of the machine, having expended considerable time in its production, requires that he who uses it shall allow him a portion of the extra product, in consideration of permitting him so to do. Every portion of capital that is employed to aid labour tends to render it more productive, and the proprietor of each portion claims a share of the product, which is termed profits of capital. In a community in which every man owned the machines that he used, and each possessed the same quantity of machines, the whole product would be deemed the wages of labour, and the term *profit* would not be used. *Wages* would be higher there than in an adjoining community in which similar aids to labour did not exist, and where, on account of the inferiority in the *quality* of labour, a

greater *quantity* would be required to accomplish the same object; but as no division between the owner and employer of capital would take place, there would be no occasion to distinguish between the product of simple labour and that of labour aided by an axe, or a musket.

The man who employs himself in collecting together the provisions and clothing necessary for labourers aids them by enabling them to procure what they want with the smallest expenditure of time. If each man were to collect a sufficient quantity of provisions for his family, and to lay up as much as would be required during the winter,\* the question of the shopkeeper's profits would not arise. Each would devote a certain quantity of time to their collection and preservation. The shopkeeper, however, does this for him, and requires wages for his time employed in the collection and preservation of the various commodities that are likely to be required—rent for the house in which it is kept—compensation for the time that is employed in distributing them—as well as profits upon the capital that he has employed.

The persons who depend upon him for their supplies are relieved from the necessity of investing their capital therein, and have it free for investment in axes, or guns, by which their labour is rendered more productive. A part of the extra product is paid to the keeper of provisions, and he must have as much as he would have obtained if he had invested his capital in axes or guns, and personally attended to their employment. He aids labour, by producing *at the time and place at which they are required*, the various commodities demanded, and relieves the labourer of the necessity for spending his time in the search of them. The latter obtains nine eggs, or nine pounds of sugar, for the price that the storekeeper has paid for ten, and the

\* "Immediately after the harvest, the people bought their store of corn at a cheap rate of the farmers, for there were no corn dealers in those days; but the consumers becoming improvident, the supply fell short before the arrival of the following harvest, and prices advanced out of all proportion. Thus, in a document dated Colchester, 1296, we find almost every family provided with a small store of barley and oats, usually about a quarter or two of each, but wheat and rye are seldom mentioned."—*Domestic Life in England*, p. 160, London, 1835.

The reader will judge for himself if the shop of the shopkeeper is not a most efficient aid to labour.

time that is thus saved may be worth twice as many eggs or pounds of sugar. If his time and the use of his capital were not worth more to him he would collect his provisions for himself, and thus be relieved from the necessity for paying the shopkeeper's commission.

If the commodity be one not frequently required and the shopkeeper be required to wait a long time for the return of his capital, he will retain a larger proportion for his trouble, and instead of giving, as in the case of sugar, nine pounds for the cost of ten, he will give but eight. It may be wine that is kept for several years, and he may give only six gallons for the price that he has paid for ten. The gain to the parties requiring such articles from having them always at hand is very great, as otherwise they would be required to invest in them a considerable amount that could otherwise be employed in the purchase of guns, axes, or cotton mills, or, to send to a distance for them whenever needed, at great cost of labour. The shopkeeper enables them to purchase at the moment that they are wanted, and to employ their capital, in the interim, in such manner as will make their labour productive.

*Capital itself produces nothing*, but its aid renders labour more productive than it would be without it. The shopkeeper with his capital is as efficient an aid as a wagon and horses. When machinery of every description, including shops at which exchanges can be readily performed, abounds, the *quality* of labour is high, and a small *quantity* produces more than can elsewhere be produced by a large one. Capital is then said to be productive, because the owner obtains a larger quantity of commodities in return for permitting it to be used.

The views which we have here submitted are in opposition to those of several distinguished writers. Thus Mr. Mill says, that "if the wine which is put in the cellar is increased in value one tenth by being kept a year, one tenth more of labour may be correctly considered as having been expended upon it." Of this the writer whose work is now under consideration, very correctly says,

"If any one proposition can be affirmed without dispute, it is this, that a fact can be correctly considered as having taken place only when it really has taken place. In the instance adduced, no human



being, by the terms of the supposition, has approached the wine, or spent upon it a moment or a single motion of his muscles. As, therefore, no labour has been really exercised in any way relating to the wine, a tenth more of labour cannot be correctly considered as having been expended upon it, unless that can be truly regarded as having occurred which never happened.”\*

The increased value here given is not the result of labour applied to the wine, but it is the consideration which the owner of axes, guns, cotton mills, or ships, allows to the man who retains the wine until it is wanted, thereby relieving him from the necessity of employing the capital by which his own labour is rendered more productive. So long as the crops of corn, or of the grape, are annual, it must be necessary for each man to lay up in the proper season a store that shall be sufficient to last until the harvest of the following year—or, he must find some person who will do it for him. If obliged to do it for himself he must find the means to purchase it, and a place to store it, thus preventing him from using his capital to obtain the machinery requisite to aid him in his pursuit, whether agricultural or manufacturing. If he find some one to do it for him he is relieved from the necessity of doing it for himself, and a part of the increased product arising out of the use of the machinery which he is thus enabled to obtain goes to the payment of the person who keeps the grain or wine until it is wanted. The increased value of the wine does not, therefore, arise from labour bestowed upon it, but from the increased productiveness of that of the persons who have occasion to consume it, consequent upon being enabled to apply their capital in aid of their own exertions, instead of being obliged to invest it in stores of wine and other commodities. The capital of the storekeeper is a labour-saving machine, and like all other machines it produces nothing itself. The man who employs his capital in building must have interest for its use, and he who purchases the house can afford to give it to him, because during the time that it was in progress he has used his own in some manner by which his labour has been improved in its quality. Rail roads and canals *produce* nothing. They

enable the labourer to apply otherwise the capital that would be employed in horses and wagons, and the time that would be employed in driving them. The owners claim a portion of the extra product in consideration of granting the use of them. The benefit derived from the aid of the shopkeeper and his capital, is precisely similar to that derived from the rail road.

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The author differs with us entirely as to labour being the *measure* of value. He says, "it would by no means follow, however, from quantity of labour being the cause of value that it would be of any service as a measure,"\* and quotes with approbation the following passage from an able disciple of Mr. Ricardo.

"If it had been proposed as a measure of value, we might justly demand that it should be ready and easy of application; but it is manifestly not so; for the quantity of labour employed in producing A, 'could not in many cases,' (as Mr. Malthus truly objects,) 'be ascertained, without considerable difficulty:' in most cases, indeed, it could not be ascertained at all. A measure of value, however, which cannot be practically applied, is worthless."†

Water is a *cause* of motion, giving to those who use it what is technically called *power*. If all water were applied under precisely similar circumstances the *quantity* passing would be the *measure* of power; but as there is in some cases a greater fall than in others, it is necessary to make allowance therefor. That fall is precisely equivalent to the aid which capital gives to labour, improving its *quality*. Quantity and quality of water are the measure of power, as quantity and quality of labour are the measure of value. Thus in both cases the cause and the measure are the same.

It would appear here as difficult to measure power as it is above supposed to be to measure value, yet nothing is more easy. In both cases we establish for ourselves a standard of comparison. In the first, we take a vessel which will contain a cubic foot of water, and ascertain how much power will be given by that quantity of water of a certain quality, *i. e.* falling from a given height. Having established this standard, we can

\* Page 177.

† Tamplar's Dialogues. London Magazine, May, 1824.

at any time if the quantity and quality of water be given, ascertain the power, or if the latter be given, we can determine the former.

In the second, we take for comparison a given quantity of wheat, tobacco, cowrie shells, gold, or silver. The owner of a bushel of wheat, or of a pound of silver, can at any moment ascertain how much labour of a given quality is contained therein, or can be obtained in exchange for it. This being established, if the price be given he ascertains in a moment the quantity of labour therein contained, or if the labour be given he ascertains the price. This measure of value is "practically applied" daily and hourly by the high and the low, by the wise and the foolish, by the most intelligent and the most ignorant, and so far is it from being "worthless," that it is the only one that can by any possibility be used—the only one that is adapted to the comprehension of all classes.

In regard to the distribution of the proceeds of labour, the author says,

"It is an increase in the *portion* of the product assigned to the labourer which constitutes a rise in the value of his labour; but it is an increase in the *proportion* assigned to the capitalist which constitutes a rise in his profits; whence it clearly follows, that there is nothing inconsistent in the supposition of a simultaneous rise in both."\*

Here it is assumed that a rise of profits cannot take place without an *increase in the proportion* of the capitalist, whereas we have shown that capital is most productive when the share of the owner is small, and that when the latter is large the former is comparatively unproductive. When only the superior soils are cultivated, labour is unproductive and the capitalist's share is large; but as cultivation is extended, labour becomes productive, the capitalist's share falls, and capital becomes daily more and more productive of the conveniences and luxuries of life.

\* Critical Dissertation on the Nature, Measure, and Causes of Value, p. 70.

## CHAPTER XVII.

## REVIEW. REV. RICHARD JONES.

AMONG the most recent writers on this subject is the Rev. Richard Jones,\* of Cambridge, whose opinions are widely different from those we have reviewed, as will be seen by the following extracts.

“The power of the earth to yield, even to the rudest labours of mankind, more than is necessary for the subsistence of the cultivator himself, enables him to pay such a tribute : hence the origin of rent. A very large proportion of the inhabitants of the whole earth are precisely in the circumstances we have been describing ; sufficiently numerous to have resorted to agriculture ; too rude to possess any accumulated fund in the shape of capital, from which the wages of the labouring cultivators can be advanced. These cultivators, in such a state of society, comprise always, from causes we shall hereafter arrive in sight of, an overwhelming majority of the nation. As the land is then the direct source of the subsistence of the population, so the nature of the property established in the land, and the forms and terms of tenancy to which that property gives birth, furnish to the people the most influential elements of their national character. We may be prepared, therefore, to see without surprise, the different systems of rents which in this state of things have arisen out of the peculiar circumstances of different people, forming the main ties which hold society together, determining the nature of the connexion between the governing part of the community and the governed, and stamping on a very large portion of the population of the whole globe their most striking features, social, political, and moral.†

“When men begin to unite in the form of an agricultural community, the political notion they seem constantly to adopt first, is that of an exclusive right, existing somewhere, to the soil of the country they inhabit. Their circumstances, their prejudices, their ideas of justice or of expediency, lead them, almost universally, to

\* Essay on the Distribution of Wealth, and the Sources of Taxation. London, 1831.

† Page 4.

vest that right in their general government, and in persons deriving their rights from it.

"The rudest people among whom this can at present be observed, are, perhaps, some of the Islanders of the South Seas. The soil of the Society Islands is very imperfectly occupied; the whole belongs to the sovereign; he portions it among the nobles, and makes and resumes grants at his pleasure. The body of the people, who live on certain edible roots peculiar to the country, which they cultivate with considerable care, receive from the nobles, in their turn, permission to occupy smaller portions. They are thus dependent on the chiefs for the means of existence, and they pay a tribute, or rent, in the shape of labour and services performed on other lands.

"On the continent of America, the institutions of those people, who, before its discovery, had resorted to agriculture for subsistence, indicate also an early and complete appropriation of the soil by the state. In Mexico there were crown lands cultivated by the services of those classes who were too poor to contribute to the revenue of the state in any other manner. There existed, too, a body of about three thousand nobles possessed of distinct hereditary property in land.\*

"The United States of North America, though often referred to in support of different views, afford another remarkable instance of the power vested in the hands of the owners of the soil, when its occupation offers the only means of subsistence to the people. The territories of the Union still unoccupied, from the Canadian border to the shores of the Floridas, from the Atlantic to the Pacific, are admitted in law and practice, to be the property of the general government. They can be occupied only with its consent in spots fixed on and allotted by its servants, and on the condition of a previous money payment.†

"We come back, then, to the proposition, that, *in the actual progress of human society, rent has usually originated in the appropriation of the soil, at a time when the bulk of the people must cultivate it on such terms as they can obtain, or starve; and when their scanty capital of implements, seed, &c., being utterly insufficient to secure their maintenance in any other occupation than that of agriculture, is chained with themselves to the land by an overpowering necessity. The necessity then, which compels them to pay a rent, it need hardly be observed, is wholly independent of any difference in the quality of the ground they occupy, and would not be removed were the soils all equalised.*"‡

\* Jones on the Distribution of Wealth, p. 5.

† Page 9.

‡ Page 11.

Mr. Jones attributes rent entirely to the *monopoly of the soil* by governments or individuals, who are enabled to *dictate the terms upon which the people must cultivate it, "or starve;"* and the varieties of condition among nations to the difference of the terms upon which the owners have granted its use.

The monopoly of land in Great Britain and the United States is as complete as in France, Poland, or India. The terms upon which its cultivation is permitted in the two former are much more onerous, if we regard only the *amount* of rent that is paid, than in the others. An acre of land near London, Liverpool, or New York, will yield as much rent as two or three hundred acres of land near Warsaw, or Madras. The terms upon which the owner grants its use would therefore appear less favourable in the United States and Great Britain than in Poland or India, and we should expect to find prosperity in the latter, where rents are low, and poverty and distress in the former, where they are high.

In opposition, however, to this is the fact, that where rents are high the cultivators are prosperous, and are enabled to accumulate property, while where they are low they can barely obtain sufficient to support life. Where the landlord has a large revenue, he leaves a large *proportion* of the produce in the hands of the producer, whereas, where he has a small one, he leaves an exceedingly small *proportion*. The reward of labour is great in the United States and Great Britain, where the rental is large; but in Hindostan, where the landlord takes *one half of the gross produce*, the amount collected from its immense population by the great land owner is short of twenty millions of pounds sterling, and the abstraction of that sum leaves the cultivators in the most abject poverty. If we look to Australia, where land exists in abundance, and where large quantities may be had for the mere trouble of application\* to the proper office, and where monopoly can, of course, have no influence, we find that the proportion demanded of the cultivator† is greater than in Great Britain, where all is monopolized.

Further examination would have satisfied Mr. Jones that monopoly would not account for the differences of condition

\* See page 53, *ante*.

† See page 69, *ante*.

presented by the various countries. He would have seen that the various species distinguished by the terms ryot, labour metayer, cottage, and money rents, are but steps in the progress towards civilization, marking the progress of different nations. We shall briefly show the causes of these differences.

A community find it necessary to have a magistrate, for the purpose of directing the execution of such measures as may be necessary to render person and property secure. They select one, and grant to him and his descendants the right of levying taxes on their property, for his own support and that of the troops he may deem necessary. He commences with a small body of soldiers, and is content with a *tax, or rent*, of ten per cent. If the people prefer to be themselves the soldiers, they perhaps agree that each man shall do duty for a certain number of days in the year, being a *labour rent*. In the course of a short time their chief finds that it would be more agreeable to be a captain over thousands than over hundreds, and he embroils his people with some of their neighbours, by which he makes it necessary to have double the number of troops, and to raise the *tax, or rent*, to twenty per cent., or to call for the services of double the number of his subjects. A further extension of territory makes larger armies necessary and gradually the occupant of the land is compelled to pay a higher tax, until at length "one half of the gross produce," as in India, is taken from him as *rent* of land, the property of which is unquestionably in him; the consequence of which is, that the people are reduced to the lowest state of poverty; ignorant of their rights, and totally incapable of defending, if they even knew, them; and at length it comes to be doubted whether they ever really possessed a right of property,\* or transferable inte-

\* Mr. Jones's reasoning in opposition to the existence of any such rights in India is contained in the following passage.

"Are the ryots in Rajast'han *practically*, as he (Colonel Tod) conceives them to be, *freeholders* in any sense in which an English proprietor is called the *freeholder* of the land he owns? I began in the text by remarking, that the ryot has very generally a recognised right to the hereditary *occupation* of his plot of ground, while he pays the rent demanded of him: and the question is, whether that right in Rajast'han *practically* amounts to a *proprietary* right or not. Now a distinction before suggested in the text, seems to afford the only real criterion which can enable us to determine this question fairly. Is the ryot at rack-rent?

rest, in the land. A new power, superseding the old, and finding the people in this state, assumes that the people had no rights, and despoils them of the little that had remained to them. Here we have the ryot rents of India.

In another community, the chief, as he enlarged his territory, would divide it among his officers, charged with its defence. They would be counts, marquesses, or dukes, and would be bound to appear when called for, with a given number of men, *to pay labour rent for their property, by carrying arms*. Their sovereign, being fond of glory, calls frequently for their ser-

has he, or has he not, a *beneficial* interest in the soil? can he obtain money for that interest by sale? can he make a landlord's rent of it? To give a cultivator an hereditary interest at a variable rack-rent, and then to call his right to till a freehold right, would clearly be little better than mockery. To subject such a person to the payment of *more* than a rack-rent, to leave him no adequate remuneration for his personal toil, and still to call him a freehold proprietor, would be something more bitter than mere mockery. To establish by law, and enforce cruelly in practice, fines and punishments to avenge his running away from his freehold, and refusing to cultivate it for the benefit of his hard task master, would be to convert him into a predial slave: and this, although a very natural consequence of the mode of establishing such *freehold* rights, would make the names of proprietor and owner almost ridiculous."\*

If this view be correct, all that is necessary to do away with private property in land in any part of Europe, is, that the taxes shall be raised so high as to prevent the owner from receiving rent. In some parts of England the poor-tax had risen so high that property was rendered totally valueless; but Mr. Jones would consider it very extraordinary that any Frenchman or German should deny the existence of private property therein on the ground that the occupant paid no rent to the owner.

The views of Sir Thomas Munro, are essentially different. It will be seen by the following passage quoted by Mr. Jones,† that he considers the ryot to be the proprietor, subject to the claim of the state for rent or taxes.

"Yet with all these views of the difficulty of establishing private property in land, Sir Thomas Munro declares the ryot to be the true proprietor, *possessing all that is not claimed by the sovereign as revenue*. This he says, while rejecting the proprietary claims of the zemindars; which he thinks unduly magnified. 'But the ryot is the real proprietor, for whatever land does not belong to the sovereign belongs to him. The demand for public revenue, according as it is high or low in different places, and at different times, affects his share: but whether it leaves him only the bare profit of his stock, or a small surplus beyond it as landlord's rent, he is still the true proprietor, and possesses all that is not claimed by the sovereign as revenue.'—*Vol. III. p. 340.*

\* Jones on the Distribution of Wealth. Appendix, p. 36.

† Ibid. Appendix, page 40.



vices and few men are left for cultivation of the soil, in consequence of which the improvement of condition of the people is very slow. Improvement, however, taking place, the sovereign finds the system of personal service, or labour rents, inconvenient, and prefers to have them in a form that enables him to employ an army when he thinks proper. The nobles, no longer requiring in the field the services of their tenants, find very speedily that production and the power to pay rent are increased, and personal services are commuted for a share of the produce of the land. Hence arise metayer rents. If the chief continue to prefer his own glory to the prosperity of his subjects, the demands upon them, in the form of taxes for the support of his armies, limit the accumulation of capital, and his nobility employed in the service of the state do not acquire those habits which lead them to attend to the improvement of their properties. If, however, any increase take place, there will be a tendency to the substitution of money, in lieu of produce, rents.

In a neighbouring community, the people, when they created a chief magistrate, might have imposed upon the exercise of his power, and particularly upon the right of taxation, certain restrictions. When it happened that one of his successors was disposed to overstep the limits, they might have deposed him, and perhaps put him to death. Another they might have turned adrift with his family, and substituted a new one. By examples of this kind they might have taught their chiefs that they had rights as well as himself, and by guarding those rights with care they might have prevented the unceasing warfare by which their neighbours were distinguished. The people, not having to attend so much to the affairs of others, would have leisure to attend to their own, labour would become more productive, capital would accumulate, and that accumulation would be attended with increased power of production. In such a community labour rents would gradually change into produce rents, and those into money rents, until at length the whole should be of the latter kind. Such has been the progress of England, and such would be that of Russia, Poland, Prussia, Austria, France, and all other countries, if their governments would permit capital to accumulate.

The cause of the difference in the terms upon which the proprietors permit the soil to be cultivated, is to be found, not in any difference of disposition on their part, for men who feel power almost always forget right, but in the fact that to the chief officer of the government was not granted, in the one case, the same entire control over the lives and fortunes of his subjects, as in the other. *The people retained a control over the operations of the government; they permitted no part of their property or of their earnings to be taken without their consent;* and a necessary consequence was, that taxes were lighter and the operations of the government tended less to interfere with the action of individuals, than in the other cases. *Capital grew, and with it grew the demand for labour,* the consequence of which was increase in the value of property, increase of rents and profits, and increase of wages to the labourer.

Mr. Jones attributes to *money* rents much less influence upon government than to the other descriptions of rent. He says,

"When a race of capitalists have made their appearance, to take charge of the varied industry of a population, and advance from their own funds the wages of its labour, property in land, and the forms of tenancy it may give birth to, no longer influence in the first degree, either the springs of government, or the constituent elements of society. The composition of the community becomes more complicated, other interests and other sources of power mingle their forces to determine the character and condition of a people, and affect the detail of all their multiplied connexions."\*

As capital increases, much of it is devoted to other pursuits than that of agriculture, and the agricultural portion of the community exercise less influence upon the mass than they had previously done, because the *proportion* so employed is in a state of constant reduction. In no case, however, can the mode of occupation, or of the employment of capital, have any influence upon the character of the government. Government influences the mode of occupation, as, by limiting the power of accumulation, it prevents the growth of capital and the increase of aids to labour, compelling man to do that with a hoe that should be done with the plough, and that with the hand which should be done by the steam engine.

\* Jones on the Distribution of Wealth, p. 185.

"Rents thus constituted, cease at once to decide the amount of wages. While obliged to extract his own food from the earth, the quantity of produce which the labourer retained, the amount, that is, of his real wages, depended, we have seen, mainly on the contract made with the proprietor.

"When the engagement of the labourer is with a capitalist, this dependence on the landlord is dissolved, and the amount of his wages is determined by other causes."\*

The whole produce of the land goes to pay, first, the wages of the labourer; second, the wages of the person who directs the labourer; third, interest upon the capital employed in ploughs and harrows, horses and cattle, and in paying wages; and fourth, rent to the landlord. The whole of these interests may be represented by one person; or there may be two; or there may be four distinct persons, but it makes no possible difference in the quantity apportioned as wages, and as profits.

When the owner of the soil is himself the farmer, he gives his time, attention, and capital, and expects to receive interest upon the capital applied to the improvement of the land, or invested in implements, in horses and cattle, or advanced as wages to the persons who work it, and in addition thereto, he must have wages for himself, the reward of his personal attention. If not disposed to continue his attention, or to furnish the capital, he seeks out a man who has the capital and the time and agrees to accept from him a part of the profits he had been accustomed to receive; while the person who takes it is careful not to agree to pay more than what will probably be the surplus, after paying himself wages and the usual profits upon the capital he must employ. The real difference produced by the intervention of the capitalist is that, whereas, under the system of *Metairie* the owner of the land and the labourer both depended upon the result of the crop and might have more or less, as the seasons were favourable or otherwise, under that of money rents, the owner of capital becomes an insurer to both parties, guarantying to one a certain amount of rent, and to the other a certain amount of wages. Mr. Jones's error consists in considering the term wages to ap-

\* Jones on the Distribution of Wealth, pp. 188, 189.

ply only to the tiller of the soil, and not to the manager of the farm. The quantity of wages is the same, whether divided among two or three persons, and the quantity of rent is the same, whether the land be cultivated by the owner, or his tenant. If a bad season occur the farmer has no wages for himself, as the whole produce is absorbed by the sums that he has contracted to pay; but in a good season he makes large wages, which compensate him for the failure of the previous year. He has calculated his rent on an average of several years, and must submit to an occasional loss.

Mr. Jones falls into the same error as Mr. M'Culloch, in supposing that high wages tend to produce low profits.

"It will be shown hereafter, that in a country replete with capital, as England is, it is always highly probable that the rate of wages will be sufficiently ahead of that rate in poorer countries, to produce a slight inferiority in the rate of profits in the richer country; though its productive power be the greatest, and in a state of rapid increase."\*

He, however, sees that this fall of profits is attended with increased power of accumulation, and guards his readers against supposing this to be a paradox. Accordingly, he says,

"That fall of the rate of profits which is so common a phenomenon as to be almost a constant attendant on increasing population and wealth, is, it will be seen, so far from indicating greater feebleness in any branch of industry, that it is usually accompanied by an increasing productive power in all, and by an ability to accumulate fresh resources, more abundantly and more rapidly.

"If the prepossessions of any reader should lead him at once to treat this statement as paradoxical, let me beg of him to turn his eye to the growing powers of production and accumulation displayed by England during the last century, and to compare them with those of the countries in Europe in which profits have continued the highest."†

The views of Mr. Jones on this subject do not differ very materially from those of Mr. Senior, already submitted to the reader.‡ He thinks that the increase of capital presents "a source of addition to the mass of rents, *less copious*, but more durable,"§ or, in other words, that the *mass* of profit is increased, although

\* Jones on the Distribution of Wealth, p. 259.

† Ibid. p. 32.

‡ *Ante*, page 266.

§ Ibid. p. 227.

the amount received for the use of any given quantity of capital is decreased. We have shown, on the contrary, that with the increase of capital there is a diminution in the share of the capitalist, and that that diminution is *the sign* of an increase in the productiveness of labour, and of an increase in the quantity of commodities obtainable for the use of any given amount of capital.

If a man produce a pair of shoes in a day, and the shopkeeper pay him eighty cents, and sell them for a dollar, the wages of the labourer are eighty cents, and the dealer has an advance of one fourth upon the cost. Increased business enables the latter to sell for smaller profit, and he gives ninety cents for a similar pair of shoes, by which wages are increased to that sum, and his advance is reduced to one ninth. He would here say that he had *less profit*.

Instead, however, of doing business to the amount of fifteen thousand dollars, the dealer would sell forty thousand dollars worth of shoes, and at the end of the year would find that instead of having a surplus of two thousand dollars, he had three thousand dollars, after paying all his expenses. Here he would say he had *more profit*. Thus the same business, considered in one way, would yield *greater*, and in another, *smaller* profits than it had been accustomed to do. The *profits of trade* are estimated by the *proportion* retained by the dealer, and that proportion tends to diminish as wealth increases. The *profits of capital* invariably increase with this diminution of the proportion.

We have shown that the decreased proportion of the capitalist is attended by a steady increase of the wages of the labourer, and think the reader must be satisfied that with increased production they must always increase—that with decreased production they must decrease—and that with stationary production they must remain stationary. Mr. Jones, however, is of opinion that *profits may fall while wages remain stationary*, and that this diminished return to capital may be attended with an increase in the power of accumulating fresh capital.

“ We have been arguing on the admission, that a decrease in the rate either of wages or profits, the other of the two remaining stationary, is a proof of a diminished produce and lessened productive

power in *some* of the departments of national industry ; and have merely attempted to show, that even with such an admission, an assumption that the decrease necessarily originates in agriculture, is inadmissible. Hereafter, we shall have occasion to prove, that the admission itself is too large ; that a decrease in the rate of profit with stationary wages, does not of itself indicate any diminution of the productive power in the population ; that it is even quite consistent with advancing efficiency in the national industry, and may be accompanied by a steady increase of the power of accumulating fresh capital ; but the development of this proposition belongs to another part of our subject.”\*

If the whole product be divided, as it must be, between the producer and the owner of the capital, and one remain stationary while the other is depressed, the cause is to be found in *decreased production*. It cannot “be accompanied by a steady increase in the power of accumulating fresh capital.”

Mr. Jones has shown very clearly that facts are in decided opposition to the doctrine of Messrs. Malthus and Ricardo, but he was himself embarrassed by that of monopoly and appropriation, and he did not remark that the reduction in the proportion of the capitalist is accompanied by an increased return for the use of capital. In consequence he has, we think, failed to give a satisfactory view of the causes of the variations in the mode of distribution.

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We here close this review, and must now request the reader to turn to Chapter IX, and read the summary there given of the laws of the production and distribution of wealth, and satisfy himself whether they, or those proposed by the other writers whose works we have reviewed, are most in accordance with the phenomena offered to his consideration in the various states of society.

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In the course of this investigation we have had occasion to use several terms in a sense different from that which is attached to them by some other writers, and will therefore now proceed to offer our definitions, with the reasons for using them in the manner we have done.

\* Jones on the Distribution of Wealth, pp. 274, 275.

## CHAPTER XVIII.

## OF REVENUE.—DEFINITION.

DR. JOHNSON defines revenue to be "income: annual profits derived from land, or other funds." The fund which supplies revenue to the workman, is his labour: to the merchant, his activity and judgment: to the capitalist, his houses, mills, or stocks: to the landlord, his land: to the government, that portion of each which is required to defray the expenses of the state: to the nation, the whole sum of labour and of capital by which it is aided.

The commodities produced by an individual in any given period of time, constitute his revenue for that time. Those produced by a family, or by a community of any size, constitute the revenue of that community. All the commodities thus produced have value, and therefore we say that the *sum of exchangeable values produced constitutes the revenue of a country.*

This meaning of the term is perfectly well understood, and it is singular that Adam Smith should have used it differently. Instead of using it to designate the annual product, he applies it only to that portion which is annually *expended*, and in this mode of application he is followed by Mr. Malthus,\* and many other writers.

If this mode of using it be sanctioned, the man who receives rents to the amount £ 1000 per annum and expends the whole, must be deemed to have a larger *revenue* than his neighbour who receives £ 2000 and applies £ 1200 of it to the increase of his capital; and the workman who expends the whole of his wages, has a larger revenue than his fellow workman who deposits a portion in the saving fund.† Such a departure from

\* "The workman whom the capitalist employs consumes that part of his wages which he does not save, as revenue, with a view to subsistence or enjoyment; and not as capital with a view to production."—*Malthus, Definitions*, p. 258.

† "If the words revenue and income were co-extensive with expenditure, the common statement that a man is living within his income, would be a contradiction in terms."—*Senior, Outline*, p. 168.

the ordinary meaning of words cannot but cause difficulty, and should always be avoided. A recent writer, after mentioning that the farmers of England are compelled to live on their capital instead of their profits, says, "they are obliged to convert their *capital* into *revenue*,"\* an expression which could not be understood by any one who was not initiated into the mysteries of the science. Our object being to avoid mystery, and to render the science easy of comprehension, we have used the word according to the definition of Dr. Johnson, including under it the whole product of labour. When it is said then that the revenue of one individual, or nation, is twice as great as that of another, the meaning can be understood without difficulty, but if there be attached to it the idea of double expenditure, a glossary must be supplied to enable the reader to comprehend it.

A portion of the revenue is expended, and the remainder, being laid by to accumulate, constitutes CAPITAL.

\* Wealth of Nations, note on Chapter V., Book 2, by Mr. Wakefield.



## CHAPTER XIX.

## CAPITAL.—DEFINITION. ADVANTAGES OF CAPITAL. DIVISION OF LABOUR.

UNDER the head of capital we include *all articles possessing exchangeable value, the accumulated results of past labour.*

It is defined by Mr. Senior to mean

*“An article of wealth, the result of human exertion, employed in the production or distribution of wealth.”\**

He limits it to articles that are

“The result of human exertion, in order to exclude those productive instruments to which have been given the name of natural agents, and which afford not profit, in the scientific sense of that word, but rent.”†

In thus excluding land, as well as all articles of wealth not employed in the production or distribution of wealth, Mr. Senior agrees with nearly all political economists, but we cannot agree in the propriety of the exclusion. We have shown that the value of land is derived exclusively from the labour that is bestowed upon it, and that it is governed by the same laws which govern all other capital. It must therefore be treated as capital. We shall add nothing to what we have already said on that subject, but will now inquire into the propriety of excluding commodities not applied to the production of additional wealth.

The hut of the woodman, and the cottage of the labourer, are unquestionably capital. They aid production, by preserving health. The dwelling house of the mechanic, of the merchant, and of the judge, are equally necessary, and it is difficult to tell where to draw the line between the log-hut of the settler, and the palace of the Marquis of Westminster. The horse of the farmer and the carriage of the physician are productively employed. The diamond in the possession of the owner of the mine, or of the diamond merchant, is capital. Can its transfer to the possession of the person who wears it change its cha-

\* Outline, p. 153.

† Ibid.

racter? The man who owns capital in the form of bank stock may to-morrow change it for capital in the form of Apsley-House, while the owner of the latter may find it more convenient to convert it into bank stock. Is it not equally capital in either form? Gold is admitted to be capital while it remains in the form of coin; when converted into ornaments it is still capital in the hands of the shopkeeper: when those ornaments are transferred to the persons who uses them, their character is supposed to be lost: yet it may be regained if the purchaser will return them to the shopkeeper.

A. possesses a diamond which he desires to sell, value \$50,000. In his hands it is admitted to be capital. B. possesses bank stock to the same amount, making a total of \$100,000. B., however, concludes to sell his stock, and purchase the diamond to ornament his sword hilt, and by this operation, according to most writers, the capital is reduced to \$50,000, but will be restored to its original amount, if B., instead of using it, will make up his mind to hold it for sale, placing it for that purpose in the shop of a dealer. This seems very absurd, but it is precisely the effect of the exclusion.

According to this limitation, the bricks and mortar applied to building a store-house are capital, while those employed in the construction of the fine dwelling-house of the proprietor are not. They become so, however, when the time arrives for converting the dwelling house into a place of business. The attempt to establish such distinctions leads to difficulty, and should be abandoned. Bank stock, rail roads, store-houses, dwellings, gold, silver, diamonds, and pearls, and all other articles possessing exchangeable value, constitute the capital of a nation, and whether the owner of a portion of it be disposed to let it remain in the form of diamonds, yielding him gratification in one form, or invests it in machinery that shall yield him gratification in another, is totally unimportant. Nearly the whole amount that exists is directly used in aiding labour,\* and thus

\* A recent writer has arrived at the very singular conclusion, that when capital is used to aid production, commodities cannot be sold as cheap as when it is not so aided.

"In France, Switzerland, and Savoy, such proprietors (those who cultivate land without assistance, except from their own families,) are very common. There

improving its quality; and the quantity that is not so used is too insignificant in proportion to be worthy of consideration.

Were we to restrict the term capital to those commodities which directly aid production, it would be necessary to deter-

can be little doubt that produce raised in this way would be of less value than if circulating capital were employed. For the peasant who tills the land on his own account *reckons not the materials of his private consumption as part of his expenses, but his labour only.* The former is considered simply as the fund for the immediate gratification of his wants, *and for which no return is expected.* But the capitalist who employs labourers, must have restored to him, not the value of the capital only, but a profit on the same. *Therefore he cannot sell so cheap as the man who works on his own account.* Thus, suppose, that in any country corn was raised in the manner above stated, but manufactures through the intervention of circulating capital, and that the exertions of one hundred countrymen for one hundred days could produce grain worth five hundred pounds. In order to employ the same number of manufacturing labourers, at the same rate, and for the like period, the capitalist must consequently advance a similar sum. But if his product be worth no more than five hundred pounds, he can of course realize no profit whatever. Therefore his commodity must be of greater value than this, that is superior in value to the corn that has been raised by the same quantity of labour. *If profits be at ten per cent., the former will be so much higher than the latter.*—*Ramsay on the Distribution of Wealth, p. 54.* Such is the result at which Mr. Ramsay arrives in endeavouring to distinguish between the services rendered by the two kinds of capital which political economists have generally designated by the terms *fixed and circulating.* The man who works on his own account is supposed “not to reckon the materials of his private consumption,” but to “charge for his labour,” for which, only, a “return is expected.” Whence come those materials for which *no charge* is made? Are they not the results of the labour for which a *charge* is made? Are they not the circulating capital employed by the small proprietor during the time that he is preparing a new crop for market? They undoubtedly are so, and that capital is governed by the same laws which govern that of the large proprietor. Mr. Ramsay thinks that the product will be of less value, as it certainly will be, and *therefore he thinks that the product can be sold cheaper.* Here is a strange confounding of value and price. The product will be of less value than that of an equal quantity of labour organized under the direction of a capitalist, *and therefore it cannot be sold so cheap.* Labour aided by capital of any kind, whether in the form of money, or wheat, or ships, or cotton machinery, becomes more productive. The small proprietor, unaided by capital, produces little, and of that little, must retain a larger proportion than the large capitalist, who can therefore produce his commodities in the market at less cost, and sell them cheaper. Mr. Ramsay, however, is of opinion that, “*the cultivation of land by little proprietors, must have a tendency to discourage the business of farming carried on by a separate class of persons, that is by capitalists possessing experience in rural affairs. The former will be able to undersell the latter.*” By the same rule, the business of manufacturing by the owners of hand-loom should have a tendency to discourage the application of machinery thereto by capitalists

mine upon some mode of separating the luxuries from the necessities of life; but here we should find great difficulty. A Hindoo would be of opinion that labour would be quite as productive without a shirt as with one. It would be a luxury to be able to own one. A Pole might think that labour would be as productive in a ragged coat as in one that was whole, yet an Englishman would believe that it would be rendered more productive by the feeling of self-respect engendered by the habit of wearing good clothing. An Irishman might think that labour would not be less productive if all the world lived upon potatoes. He would regard the neat cottages of England as luxuries not directly contributing to the productiveness of labour, yet their possessors would make greater exertions to maintain their standing in society than they would if compelled to live in Irish cabins. A library would be deemed by an English labourer a luxury, yet it tends to improve the quality of labour. The British museum is a collection of luxuries, yet no one can deny that its library, its collection of vases,\* and its marbles, have contributed greatly to the improvement of the quality of British labour. The galleries of England and of France have tended to

possessing experience in the various processes of manufacture, as the former would be able to undersell the latter. Mr. Ramsay is opposed to the division of land into small properties, but he thinks that small proprietors could supply food cheaper than large ones! If they could do so, the division would be in the highest degree advantageous to the community in which it took place. Further examination, however, would show him that where capital is small, as was the case in Scotland,† and as is now the case in France, and in Ireland, the labourers are anxious to secure a piece of land in order that they may obtain a supply of food, which is produced at great cost of labour, but that, as capitals increase, farms increase in size and improve in quality, and food is obtained at small cost of labour, as is the case in England and in the United States. Were capital permitted to accumulate in France and Ireland, the complaint of the division of land would soon cease, because the labourers would employ themselves in other pursuits that would yield them larger returns. No man will cultivate half a dozen acres, yielding him low wages, when the capitalist will give him high wages as a manufacturer. Where cultivation is not aided by capital, the *money* price of corn is low, but its *labour* price is high.

\* "We might quote Wedgwood's testimony, that in consequence of the purchase of the Hamilton vases, our manufacture of earthenware has increased in such a rapid proportion that the additional duty of one year has long since counterbalanced the outlay."—*British and Foreign Review*, January, 1837, p. 223.

† See page 67, *ante*.

improve the taste of their manufacturers, and have placed them above the competition of other nations. The common schools of New England would be deemed luxuries by the people of Russia, and they would be unable to see that their possession would improve their productive powers; but to the people of New England they are necessities of life, and to the possession of them is due the superior productiveness of their labour. Whatever tends to improve the quality of labour, may be styled capital, and in this sense education may properly be so denominated. As, however, it would be impossible to distinguish between the compensation of the labourer and the mechanic—the mechanic and the artist—the term is limited to those material products which may be parted with, and which may be used by the owner, or by others—to articles possessing exchangeable value.

Mr. Senior says, again,

“Economists are agreed that whatever yields a profit is properly termed capital.”\*

Mr. Senior would deem the telescope of Herschel, the library of Baily, the apparatus of Berzelius, and the collection of Buckland, entitled to be considered capital, yet they yield no pecuniary profit. The profit derived by Mr. Heber from the possession of his library was of the same kind that is obtained by the owner of Devonshire House, which is equally entitled to be ranked as capital.

On this head Mr. M'Culloch says, with great truth, that

“The questions as to the mode of employing an article, and the consequences of that employment, ought surely to be held to be, what they obviously are, perfectly distinct from the question whether that article is capital. For any thing that we can, *a priori*, know to the contrary, a horse yoked to a gentleman's coach may be quite as productively employed as if he were yoked to a brewer's dray; but whatever difference may obtain in the cases, the identity of the horse is not affected—he is equally possessed, in the one and the other, of the capacity to assist in production; and solely as he possesses that capacity, he ought to be viewed, independently of all other considerations, as a part of the capital of the country.”†

Although “the mode of employing an article” is not important,

\* Outline, p. 156.

† Principles, p. 98.

Mr. McCulloch deems it necessary that it should be capable of assisting production, and thus he says, "capital is only another name for all those commodities or articles produced by human industry, that *may be made* directly available to the support of man or the facilitating of production."\* The gold ornament may be made capable of assisting production by returning it into the shape of coin. Kensington Palace, or that of Fontainebleau, may be made capable of assisting production by filling them with machinery. The glazier and the worker in precious stones would make little progress without the aid of the diamond. In fact, scarcely any article of wealth exists that may not be made directly available for the increase of production.

Adam Smith does not admit dwelling-houses to be included under the term capital, but his reasons therefor appear to us not more conclusive than those against including diamonds.

"One portion," he states, "of the stock of a society is reserved for immediate consumption, of which the characteristic is, that it affords no revenue or profit. The whole stock of mere dwelling-houses makes a part of this portion. If a house be let to a tenant, as the house itself can produce nothing, the tenant must pay the rent out of some other revenue which he derives either from labour, or stock, or land. Where masquerades are common, it is a trade to let out dresses for the night. Upholsterers frequently let furniture by the month or the year. The revenue, however, which is derived from such things, must always be ultimately derived from some other source of revenue. A stock of clothes may last for several years; a stock of furniture half a century or a century; but a stock of houses, well built and properly taken care of, may last many centuries. Though the period of their total consumption, however, is more distant, they are still as really a stock reserved for immediate consumption as either clothes or furniture."†

The stock of sugar and coffee in the hands of the dealer is deemed capital, but the house in those of the owner is not, yet the former are intended to be *consumed*, while the latter is only to be *used*. The cottage of the small farmer is as indispensable to the steady and profitable prosecution of his labour as his plough, or his spade, and is one of the most important instruments of production.

\* Principles, p. 333.

† Book 2. ch. I.

The difficulty that exists in separating rent from profits—land from capital—will be obvious on reading the following passage from Mr. Senior.

“When an estate has been for some time leased to a careful tenant, it generally receives permanent ameliorations, which enable the owner, at the expiration of the lease, to obtain a higher rent. A bog worth 2s. annually an acre, may be converted into arable or pasture worth annually £2. Is the increase of revenue rent or profit? It arises from an additional fertility, now inseparably attached to the land. It is received by the owner without sacrifice\* on his part. It is, in fact, undistinguishable from the previous rent. On the other hand, its existence is owing to the abstinence of the farmer, who devoted to a distant object, the amelioration of the land, labour which he might have employed in producing immediate enjoyment for himself. If the owner of the estate had farmed it himself, and had directed labour to be employed on its permanent improvement, the additional produce occasioned by those improvements would clearly have been termed profit. It appears, therefore, most convenient to term it profit when occasioned by the improvements made by a tenant.

“In fact, these improvements are as consistently to be termed capital as a dock or a cotton mill. Whose capital are they then? During the lease the capital of the tenant; when it has fallen in, the capital of the landlord, who has purchased them by engaging not to raise the rent during the currency of the lease.

“We may be asked, then, whether the improvements which form

\* It is said to be received by the owner “without sacrifice,” yet it is afterwards said that he had purchased the improvements “by engaging not to raise the rent during the currency of the lease.” The owner of a property upon which taxes have been paid for centuries, and which has now acquired “advantages of situation” from the making of roads, has his choice of two modes of availing himself of them. If he furnish his own capital he can have at once a large income, but if he desire his tenant to make the improvements he must defer the increase of income for such time as will enable the tenant to repay himself for his advances. His “sacrifice” is exactly the same as if he had himself supplied the capital. When building lots are let on improving leases, the houses to become, at the expiration of a certain time, the property of the landlord, the rent paid for the lot is much less than it would be if let on a perpetual ground rent. The amount of that ground rent would be the exact measure of the advantages which the lot had derived from the previous expenditure of capital, and the difference between it and the sum agreed to be paid, constitutes the sacrifice of present enjoyment for the advantage to be derived from accumulating capital. The owner relinquishes that difference, to be repaid to him in the house, at the end of the lease.

the greater part of the value of the soil of every well cultivated district are all, and for ever, to be termed capital? Whether the payments received from his tenants by the present owner of a Lincolnshire estate, reclaimed by the Romans from the sea, are to be termed, not rent but profit on the capital which was expended fifteen centuries ago? The answer is, that, for all useful purposes, *the distinction of profit from rent ceases as soon as the capital, from which a given revenue arises, has become, whether by gift or by inheritance, the property of a person to whose abstinence and exertions it did not owe its creation.* The revenue arising from a dock, or a wharf, or a canal, is profit in the hands of the *original constructor*. It is the reward of *his* abstinence in having employed capital for the purposes of production instead of for those of enjoyment. But in the hands of his heir it has all the attributes of rent. It is to him the gift of fortune, not the result of a sacrifice. It may be said, indeed, that such a revenue is the reward for the owner's abstinence in not selling the dock or the canal, and spending its price in enjoyment. But the same remark applies to every species of transferrable property. Every estate may be sold, and the purchase money wasted. If the last basis of classification were adopted, the greater part of what every political economist has termed rent must be called profit.”\*

Here, the man who builds a house, receives profits, but the one who inherits the same house, receives rent. The constructor of a canal has profits—his heir has rent, because it is *the gift of fortune*, and *not the result of sacrifice*. Rent is deemed to be the reward obtained for the use of natural agents, and other gifts of fortune, but if those gifts of fortune be sold by the heir to a third person, who exchanges for them the capital accumulated by a life of industry, they become again capital. The owner of a mill, having constructed it with his own capital, receives profits—he leaves it to his son, who receives rent—that son sells it to a capitalist, who receives profits. The owner of a farm, having inherited it, receives rent—he sells it to a banker, who receives profits—the latter leaves it to his son, who receives rent. Is not all this evidence that rent and profits are the same?

The value of land results from the labour that has been employed to render it productive. The value of houses, mills, canals, rail roads, bridges, is derived from the same source,

\* Outline, p. 182.



and the laws which regulate the profit derivable from them are the same. The purchasers of land, houses, and bank stock, make precisely the same calculations in regard to the revenue derivable from them, except that they usually look to receive smaller interest from the former than from the latter. Not only the "greater part," but the whole of what is termed rent may be called "profit."

Mr. Senior uses the term *abstinence* in lieu of capital, desiring

"To express that agent, distinct from labour and the agency of nature, the concurrence of which is necessary to the existence of capital, and which stands in the same relation to profit, as labour does to wages."\*

We cannot but think Mr. Senior has made a material error in the adoption of this term. The reward of abstinence is the possession of capital—the compensation for capital is profit. The effect of temperance and good conduct is the power to labour—the compensation for labour is termed wages. If abstinence be adopted in place of capital, temperance must be adopted in place of labour. If the one secure the acquisition of profits, the other equally secures the power to obtain wages. If the owner of a steam engine sells the right of using so much *abstinence*, the coal dealer who supplies the fuel sells so much *labour*, and that term should be substituted for that of *commodities*. We should then have abstinence for capital—temperance for labour—and labour for commodities.

Capital was divided by Adam Smith, into fixed and circulating, and in that division he has been followed by nearly all writers on the subject. He says,

"There are two ways in which a capital may be employed so as to yield a revenue or profit.

"First, it may be employed in raising, manufacturing, or purchasing goods, and selling them again with a profit. The capital employed in this manner yields no revenue or profit to its employer while it either remains in his possession or continues in this shape. The goods of the merchant yield him no revenue or profit, till he sells them for money, and the money yields him as little, till it is again exchanged for goods. His capital is continually going from him in one shape and returning to him in another, and it is only by means

\* Outline, p. 153.

of such circulation, or successive exchanges, that it can yield him any profit. Such capitals, therefore, may properly be called *circulating* capitals.

“Secondly, it may be employed in the improvement of land, in the purchase of useful machines and implements of trade, or in such like things as yield a revenue or profit without changing masters or circulating any further. Such capitals, therefore, may properly be called *fixed* capitals.

“The capital of a merchant is altogether a circulating capital. He has occasion for no machines or instruments of trade, unless his shop or warehouse be considered as such.

“Some part of the capital of every master artificer or manufacturer must be fixed in the instruments of his trade. This part, however, is very small in some, and very large in others. A master tailor requires no other instruments of trade than a parcel of needles; those of a master shoemaker are a little, though but a little, more expensive.

“In other works a much greater fixed capital is required. In a great iron work, for example, the furnace, the forge, the slit mill, are instruments of trade which cannot be erected without a very great expense. That part of the capital of the farmer which is employed in the instruments of agriculture is a fixed, that which is employed in the wages and maintenance of his labouring servants is a circulating, capital. He makes a profit of the one by keeping it in his own possession, and of the other by parting with it. A herd of cattle, bought in to make a profit by their milk and increase, is a fixed capital; the profit is made by keeping them. Their maintenance is a circulating capital; the profit is made by parting with it.”\*

It is difficult to imagine any advantage that can arise out of this distinction, while it cannot fail to be the cause of much error. The goods of the merchant who sells cloths, or sugars, are circulating capital, as are those of the dealer in bricks and mortar. Those of the dealer in houses, who buys and sells bricks and mortar to the amount of millions, are fixed capital. He, however, does not make a profit by keeping, but by selling them. The dealer in lands makes his profit by selling them. One man deals in ships—a second, in canal boats—a third, in cloths—a fourth, in coffee—a fifth, in houses,—a sixth, in machinery—

the operations of all are of precisely the same character, yet one man is deemed the owner of fixed capital, and another of circulating capital.

The owner of gold and silver lends them to persons who engage to return him the same quantity, with interest for their use, at a certain rate. So does the owner of a mill, of a house, of a farm, of a coal mine, of cloths, or sugars, or coffee. They are all circulating capital.

The distinction is one that should no longer be retained. It is behind the age. Mr. M'Culloch says very truly that,

"Though this distinction be convenient for some purposes, it is one that cannot be made with considerable accuracy."\*

That Mr. Ricardo did not deem it essential, is seen by the following passage.

"According as capital is rapidly perishable and requires to be frequently reproduced, or is of slow consumption, it is classed under the heads of circulating or of fixed capital: a division not essential, and in which the line of demarcation cannot be accurately drawn. A brewer, whose buildings and machinery are valuable and durable, is said to employ a large portion of fixed capital; on the contrary, a shoemaker, whose capital is chiefly employed in the payment of wages, which are expended on food and clothing, commodities more perishable than buildings and machinery, is said to employ a large portion of capital as circulating capital."†

The difference between Mr. Ricardo and Adam Smith, is thus noticed by Mr. Senior.

"The master tailor's needles which Adam Smith selects as an example of fixed capital, because the tailor retains them, would, according to Mr. Ricardo, be circulating, because they are perishable. On the other hand, the materials and stock in trade of an iron founder would be circulating capital according to Smith, and fixed according to Ricardo."‡

The cows that a farmer milks, and the sheep that he shears, are fixed capital, while those that are held for slaughter, are circulating. Seed is fixed capital, while hay is circulating. Nothing can tend more to show the difficulty of the division, or its futility. Adam Smith classes under the head of fixed capital, "all machines and instruments of trade which facilitate and abridge

\* Principles, p. 99.

† Ch. 1. Sec. IV.

‡ Outline, p. 155.

labour.” Of all the instruments of trade which abridge labour, there are none which produce the effect more than bank notes and bills of exchange. By their aid the transmission of the precious metals, from town to town, from city to city, and from one country to another, is almost entirely avoided. They abridge labour to an incalculable degree, yet they are not fixed capital.

Capital fixed in the form of gold and silver is as firmly fixed as when in that of houses and ships. The only difference is that when it becomes desirable to the owner to change the form of his capital, there may be more persons who desire to purchase gold than houses. Such, however, is not always the case.

M. Say, says,

“It is essential to pay a strict attention to the meaning of the term, *supply of disposable capital*; for this alone can have any influence upon the rate of interest; it is only so much capital as the owners have both the power and the will to dispose of. \* \* A capital already vested and engaged in production or otherwise, is no longer in the market, and therefore no longer forms a part of the total circulating capital; its owner is no longer a competitor of other owners in the business of lending, unless the employment be one from which capital may be easily disengaged and transferred to other objects. Thus, capital lent to a trader, and liable to be withdrawn from his hands at a short notice, and, *a fortiori*, capital employed in the discount of bills of exchange, which is one way of lending among commercial men, is capital, readily disposable and transferrable to any other channel of employment, which the owner may judge convenient.”\*

A man desirous of engaging in any business, wishes to borrow some “disposable capital.” His friends know that he wishes to engage in the cotton manufacture, and one of them has a mill that is *disposable*, and which he offers to lend him at an interest of six per cent. upon its value; another has a quantity of cotton which he will lend him for a year, provided interest be paid at the usual rate: a third has some money that is *disposable*, and which he will lend on the same terms. The party is thus supplied with all that he requires, having found persons who had, *disposable*, all the capital that he required. M. Say says, that

\* Principles, p. 354.

a “supply of disposable capital can alone have any influence upon the rate of interest.” All capital is disposable. A man occupies a certain amount of it invested in a house, but if he can obtain a good rent for it, he will remove to another. Another has a mill; a third, a steam-engine; a fourth, a horse; a fifth, a ship; a sixth, some gold and silver. All of these parties will sell if they can have price enough; all will lend if they can obtain sufficient compensation for its use. All the articles we have mentioned may be included under the head of “disposable capital.”

The “rate of interest” on houses is high or low according to the proportion which the supply bears to the demand. So is that in ships, steamboats, or gold and silver. If houses will yield twelve per cent. upon the cost, while gold will yield only six, the owner of gold will give an increased quantity of it for a house, in order to secure larger revenue. If gold will yield ten per cent., while houses will yield only five, the owner of houses will accept a smaller quantity of gold in exchange for it.

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The distinctions to which we have adverted can tend only to cause confusion and difficulty. All capital is subject to precisely the same laws, and it is entirely unimportant in what form it is accumulated, as we may safely trust that every man will endeavour to have it in such form as will most tend to enable him to improve his condition.

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The manner in which labour is aided by capital and by the division of labour, or of employments, is so well stated by Mr. Senior, that we shall give nearly the whole in his own words. In the few cases in which we differ from him, our remarks will be included within brackets, thus [ ].

“The principal advantages derived from abstinence, or, to express the same idea in more familiar language, from the use of capital, are two: first, the use of implements; and second, the division of labour. [The division of labour would be complete were there but a single couple on the earth, without capital. The husband would take the deer, and the wife would prepare the food and convert the skins into clothing. With the increase of capital there is an *increased* division of labour.]

"Implements, or tools, or machines (words which express things perhaps slightly different in some respects, but precisely similar so far as they are the subjects of political economy) have been divided into those which produce power, and those which transmit power. Under the first head are comprehended those which produce motion independently of human labour. Such are, for instance, those machines which are worked by the force of wind, of water, or of steam.

"The second head comprises what are usually termed tools, such as the spade, the hammer, or the knife which assist the force, or save the time of the workman, but receive their impulse from his hand.

"To these two classes a third must be added, including all those instruments which are not intended to produce or transmit motion, using that word in its popular sense. This class includes many things to which the name of implement, tool, or machine is not generally applied. A piece of land prepared for tillage, and the corn with which it is to be sown, are among the implements by whose use the harvest is produced. Books and manuscripts are implements more productive than those invented by Arkwright or Brunel. Again, many of the things which popularly *are* called implements, such as the telescope, have no reference to motion; and others, such as a chain, or an anchor, or indeed any fastening whatever, are intended not to produce or transmit, but to prevent it.

"The instruments which derive their impulse from the person who works them are in general of a simple description, and some of them are to be met with in the rudest state of human society. The first subsistence offered by nature to the savage consists of the brutes around him; but some instruments beyond the weapons which she has given to him must enable him to take advantage of her bounty.

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"The superior productiveness of modern compared with ancient labour depends, perhaps, principally on the use of those instruments (which produce motion, or as it is technically termed power.) We doubt whether all the exertions of all the inhabitants of the Roman empire, if exclusively directed to the manufacture of cotton goods, could, in a whole generation, have produced as great a quantity as is produced every year by a portion of the inhabitants of Lancashire; and we are sure that the produce would have been generally inferior in quality. The only moving powers employed by the Greeks or Romans were the lower animals, water, and wind. And even these powers they used very sparingly. They scarcely used wind except to assist their merchant vessels in a timid coasting; they used

rivers as they found them, for the purposes of communication, but did not connect them by canals; they used horses only for burthen and draught, and the latter without the assistance of springs. They made little use of that powerful machine to which we give the general name of a mill, in which a single shaft, turning under the impulse of animal power, or wind, or water, or steam, enables a child to apply a force equal sometimes to that of a thousand workmen.

"A ship of the line under full sail has been called the noblest exhibition of human power: it is, perhaps, the most beautiful. But if dominion over matter, if the power of directing inanimate substances, at the same time to exert the most tremendous energy, and to perform the most delicate operations, be the test, that dominion and power are no where so strikingly shown as in a large cotton manufactory. One of the most complete which we have seen is that constructed by the late Mr. Marsland, at Stockport; and, as it exhibits very strikingly both the power and the manageableness of machinery, it may be worth while to give a short description of it, as we saw it in 1825.

"Mr. Marsland was the proprietor of the Mersey for about a mile of its course, and of a tongue of land which two reaches of the river form into a peninsula. Through the isthmus of this peninsula he bored a tunnel sufficient to receive seven wheels of large diameter, and to give passage to enough of the river to turn them; these wheels communicated rotatory motion to perpendicular shafts; and the perpendicular shafts communicated the same motion to numerous horizontal shafts connected with them by pinions. Each horizontal shaft ran below the ceiling of a work-room more than a hundred feet long. The buildings connected with the wheels worked by the river contained six or seven stories of work-rooms, each supplied with its horizontal shaft. The rotatory motion was carried on from each horizontal shaft by means of small solid wheels called drums, affixed to the principal shaft of each detached piece of machinery, and connected with the great horizontal shaft of the work-room by a leathern strap. Many of these rooms were not occupied by Mr. Marsland himself. He let out, by the hour, the day, or the week, a certain portion of the floor of a work-room, and the liberty to make use of a certain portion of the horizontal shaft. The tenant placed his own machinery on the floor, connected its drum with the shaft that revolved rapidly above, and instantly saw his own small mechanical world, with its system of wheels, rollers, and spindles, in full activity, performing its motions with a quickness, a regularity, and, above all, a perseverance, far beyond the exertions of man. In the operation of machinery, power,

like matter, seems susceptible of indefinite aggregation and of indefinite subdivision. In the performance of some of its duties the machinery moved at a rate almost formidable, in others at one scarcely perceptible. It took hold of the cotton of which a neckcloth was to be made, cleaned it, arranged its fibres longitudinally, twisted them into a strong and continuous thread, and finally wove that thread into muslin. It took the wool of which a coat was to be made, and, after subjecting it to processes more numerous than those which cotton experiences, at last wove it into cloth. For thousands of years, in fact from the last great convulsion which traced the course of the river, until Mr. Marsland bored his tunnel, had the Mersey been wasting all the energy that now works so obediently.

"One of the most striking qualities of machinery is its susceptibility of indefinite improvement. On looking through the instructive evidence collected by the Committee on Artisans and Machinery, (1824,) it will be found that nothing is more impressed on the minds of the witnesses than the constant tide of improvement, rendering obsolete in a very few years all that might have been supposed to be perfect.

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"There appears no reason, unless that reason be to be found among our own commercial institutions, why the improvements of the next sixty years should not equal those of the preceding. The cotton machinery is far from perfection; the evidence which we have quoted shows that it receives daily improvements; and the steam-engine is in its infancy: its first application to vessels is within our recollection; its application to carriages has scarcely commenced; and it is probable that many other powers of equal efficiency lie still undiscovered among the secrets of nature, or, if known, are still unapplied. There are doubtless at this instant innumerable productive instruments known but disregarded because separately they are inefficient, and the effect of their combination has not been perceived. Printing and paper are both of high antiquity. Printing was probably known to the Greeks; it certainly was practised by the Romans, as loaves of bread stamped with the baker's initials have been found in Pompeii. And paper has been used in China from times immemorial. But these instruments separately were of little value. While so expensive a commodity as parchment, or so brittle a one as the papyrus, were the best materials for books, the sale of a number of good copies sufficient to pay the expense of printing could not be relied on. Paper without printing was more useful than printing without paper; but the



mere labour necessary to constant transcription, even supposing the materials to be of no value, would have been such as still to leave books an expensive luxury. But the combination of these two instruments, each separately of little utility, has always been considered the most important invention in the history of man.

“The second of the two principal advantages derived from abstinence, or, in other words, from the use of capital, is the [increased] division of labour.

“We have already observed that division of production would have been a more convenient expression than division of labour; but Adam Smith’s authority has given such currency to the term division of labour, that we shall continue to employ it, using it, however, in the extended sense in which it appears to have been used by Adam Smith. We say *appears* to have been used, because Smith, with his habitual negligence of precision, has given no formal explanation of his meaning. But in the latter part of his celebrated first chapter, he appears to include among the advantages derived from the division of labour all those derived from internal and external commerce. It is clear, therefore, that, by division of labour, he meant division of production, or, in other words, the confining as much as possible each distinct producer and each distinct class of producers to operations of a single kind.

“The advantages derived from the division of labour are attributed by Smith to three different circumstances. ‘First, to the increase of dexterity in every particular workman; secondly, to the saving of the time which is commonly lost in passing from one species of work to another; and lastly, to the invention of a great number of machines which facilitate and abridge labour, and enable one man to do the work of many.’

“Smith was the first writer who laid much stress on the division of labour. The force and the variety of the examples by which he has illustrated it make the first chapter perhaps the most amusing and the best known in his whole work. But, like most of those who have discovered a new principle, he has in some respects overstated, and in others understated, its effects. His remark, ‘that the invention of all those machines by which labour is so much facilitated and abridged seems to have been originally owing to the division of labour,’ is too general. Many of our most useful implements have been invented by persons neither mechanics by profession, nor themselves employed in the operations which those implements facilitate. Arkwright was, as is well known, a barber; the inventor of the power-

loom is a clergyman. Perhaps it would be a nearer approach to truth if we were to say that the division of labour has been occasioned [aided] by the use of implements. In a rude state of society, every man possesses, and every man can manage, every sort of instrument. In an advanced state, when expensive machinery and an almost infinite variety of tools have superseded the few and simple implements of savage life, those only can profitably employ themselves in any branch of manufacture who can obtain the aid of the machinery, and have been trained to use the tools, by which its processes are facilitated; and the division of labour is the necessary consequence. But, in fact, the use of tools and the division of labour so act and react on one another, that their effects can seldom be separated in practice. Every great mechanical invention is followed by an increased division of labour, and every increased division of labour produces new inventions in mechanism.

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*Alterius sic  
Altera poscit opem res et conjurat amice.*

“The increased dexterity of the workman, and the saving of the time which would be lost in passing from one sort of work to another, deserve the attention which they have received from Adam Smith. Both are consequences, and the first is a very important consequence of the division of labour. But he has passed by, or at least has not formally stated, other advantages derived from that principle which appear to be far more important.

“One of the principal of these advantages arises from the circumstance that the same exertions which are necessary to produce a single given result, are often sufficient to produce many hundred or many thousand similar results. The post-office supplies a familiar illustration. The same exertions which are necessary to send a single letter from Falmouth to New York are sufficient to forward fifty, and nearly the same exertions will forward ten thousand. If every man were to effect the transmission of his own correspondence, the whole life of an eminent merchant might be passed in travelling, without his being able to deliver all the letters which the post-office forwards for him in a single evening. The labour of a few individuals, devoted exclusively to the forwarding of letters, produces results which all the exertions of all the inhabitants of Europe could not effect, each person acting independently.

“The utility of government depends on this principle. In the rudest state of society each man relies principally on himself for the

protection both of his person and of his property. For these purposes he must be always armed, and always watchful; what little property he has must be moveable, so as never to be far distant from its owner. Defence or escape occupy almost all his thoughts, and almost all his time, and, after all these sacrifices, they are very imperfectly effected. 'If ever you see an old man here,' said an inhabitant of the confines of Abyssinia to Bruce, 'he is a stranger: the natives all die young by the lance.'

"But the labour which every individual, who relies on himself for protection, must himself undergo, is more than sufficient to enable a few individuals to protect themselves, and also the whole of a numerous community. To this may be traced the origin of governments. The nucleus of every government must have been some person who offered protection in exchange for submission. On the governor and those with whom he is associated, or whom he appoints, is devolved the care of defending the community from violence and fraud. And so far as internal violence is concerned, and that is the evil most dreaded in civilized society, it is wonderful how small a number of persons can provide for the security of multitudes. About fifteen thousand soldiers, and not fifteen thousand policemen, watchmen, and officers of justice, protect the persons and property of the seventeen millions of inhabitants of Great Britain. There is scarcely a trade that does not engross the labour of a greater number of persons than are employed to perform this the most important of all services.

"It is obvious, however, that the division of labour on which government is founded is subject to peculiar evils. Those who are to afford protection must necessarily be intrusted with power; and those who rely on others for protection lose, in a great measure, the means and the will to protect themselves. Under such circumstances, the bargain, if it can be called one, between the government and its subjects, is not conducted on the principles which regulate ordinary exchanges. The government generally endeavours to extort from its subjects, not merely a fair compensation for its services, but all that force or terror can wring from them without injuring their powers of further production. [The division of labour here referred to is not *necessarily* "subject to peculiar evils." Those evils have existed where men have been content to be subjects, and to have masters. Where the people govern themselves, there is no "force, or terror," required to obtain the means of supporting the government, because the governing power is composed of the contributors. Mr. Senior

appears to argue that what has generally happened must of necessity happen. A few centuries since it would have been argued that because men were, throughout the world, held as slaves, that man must of necessity be held in bondage. In the time that has elapsed since slavery existed in England, the progress has been vastly great compared with that which is now required to place the taxing power in the hands of the contributors, to give to the people the right of self-government, and to exempt them from any demands greater than are required for an economical administration of the powers confided to their representatives.] In fact, it does in general extort much more; for if we look through the world we shall find few governments whose oppression does not materially injure the prosperity of their people. When we read of African and Asiatic tyrannies, where millions seem themselves to consider their own happiness as dust in the balance compared with the caprices of their despot, we are inclined to suppose the evils of misgovernment to be the worst to which man can be exposed. But they are trifles compared to those which are felt in the absence of government. The mass of the inhabitants of Egypt, Persia, und Burmah, or to go as low as perhaps it is possible, the subjects of the kings of Dahomi and Ashantee, enjoy security, if we compare their situation with that of the ungoverned inhabitants of New Zealand. So strongly is this felt that there is no tyranny which men will not eagerly embrace, if anarchy is to be the alternative. Almost all the differences between the different races of men, differences so great that we sometimes nearly forget that they all belong to the same species, may be traced to the degrees in which they enjoy the blessings of good government. If the worst government be better than anarchy, the advantages of the best must be incalculable. But the best governments of which the world has had experience, those of Great Britain and of the countries which have derived their institutions from Great Britain, are far from having attained the perfection of which they appear to be susceptible. In these governments the subordinate duties are generally performed by persons specially educated for these purposes, the superior ones are not. It seems to be supposed that a knowledge of politics, the most extensive and the most difficult of all sciences, is a natural appendage to persons holding a high rank in society, or may be acquired at intervals snatched from the bustle and the occupation of laborious and engrossing professions. [The science of politics is deemed difficult because government undertakes to do that which should be left to the people. In proportion as the people are permitted to manage their

own affairs, the science becomes divested of its difficulties. Government requires greater talent in England than in the United States—in France than in England—because in France those who administer it are obliged, or think themselves so, to superintend a multiplicity of affairs, that in England and the United States, are managed by individuals for themselves.] In despotisms, the principal evils arise partly from the ignorance, and partly from the bad passions of the rulers. In representative governments, they arise principally from their unskilfulness. It is to be hoped that a further application of the division of labour, the principle upon which all government is founded, by providing an appropriate education for those who are to direct the affairs of the state, may protect us as effectually against suffering under ignorance or inexperience in our governors, as we are now protected against their injustice. [A more simple mode would be to reduce the powers of government. If it were to confine itself to maintaining order, permitting every man to manage his own business, a very small degree of ability would be required, and a man of tolerably good common sense might make a better governor than another of distinguished ability who might desire to exercise his talents by interfering in business over which government should have no control.]

“Another important consequence of the division of labour, and one which Adam Smith, though he has alluded to it, has not prominently stated, is the power possessed by every nation of availing itself, to a certain extent, of the natural and acquired advantages of every other portion of the commercial world. Colonel Torrens is the first writer who has expressly connected foreign trade with the division of labour, by designating international commerce as ‘the territorial division of labour.’

“Nature seems to have intended that mutual dependence should unite all the inhabitants of the earth into one commercial family. For this purpose she has indefinitely diversified her own products in every climate and in almost every extensive district. For this purpose, also, she seems to have varied so extensively the wants and the productive powers of the different races of men. The superiority of modern over ancient wealth depends in a great measure on the greater use we make of these varieties. We annually import into this country about thirty million pounds of tea. The whole expense of purchasing and importing this quantity does not exceed £2,250,000, or about 1*s.* 6*d.* a pound, a sum equal to the value of the labour of only forty-five thousand men, supposing their annual wages to amount to £50 a year. With our agricultural skill, and our coal mines,

and at the expense of above 40s. a pound instead of 1s. 6d., that is, at the cost of the labour of about one million two hundred thousand men instead of forty-five thousand, we might produce our own tea, and enjoy the pride of being independent of China. But one million two hundred thousand is about the number of all the men engaged in agricultural labour throughout England. A single trade, and that not an extensive one, supplies as much tea, and that probably of a better sort, as could be obtained, if it were possible to devote every farm and every garden to its domestic production.

“The greater part of the advantage of rather importing than growing and manufacturing tea arises, without doubt, from the difference between the climates of China and England. But a great part also arises from the different price of labour in the two countries. Not only the cultivation of the tea plant, but the preparation of its leaves, requires much time and attention. The money wages of labour are so low in China, that these processes add little to the money cost of the tea. In England the expense would be intolerable. When a nation, in which the powers of production, and consequently the wages of labour, are high, employs its own members in performing duties that could be as effectually performed by the less valuable labour of less civilized nations, it is guilty of the same folly as a farmer who should plough with a race-horse. [The real advantage which China possesses for the production of tea is *climate*, and nothing else. Were that of England adapted to its growth, machinery would simplify all those processes, and the labourer would compete as successfully with the native of China in the production of tea as he now does in that of cotton goods. Low wages are only a proof that labour, being unassisted by capital, is unproductive, or of inferior quality.]

“Another important consequence of the division of labour is the existence of retailers: A class who, without being themselves employed in the direct production of raw or manufactured commodities, are, in fact, the persons who supply them to their ultimate purchasers, and that at the times and in the portions which the convenience of those purchasers requires. When we look at a map of London and its suburbs, and consider that that province covered with houses contains more than a tenth of the inhabitants of England, and consumes perhaps one fifth in value of all that is consumed in England, and obtains what it consumes, not from its own resources, but from the whole civilized world, it seems marvellous that the daily supply of such multitudes should be apportioned with any thing like accuracy to their daily wants. It is effected principally by means of the retailers.

Each retailer, the centre of his own system of purchasers, knows, by experience, the average amount of their periodical wants. The wholesale dealer, who forms the link between the actual producer or importer, and the retailer, knows also, by experience, the average amount of the demands of his own purchasers, the retailers; and is governed by that experience in purchasing himself from the importer or producer. And the average amount of these last purchases affords the data on which the importers and producers regulate the whole vast and multifarious supply. It can scarcely be necessary to dwell on the further advantages derived from the readiness and subdivision of the retailer's stock; or, to point out the convenience of having to buy a steak from a butcher, instead of an ox from a grazier. These are the advantages to which we formerly referred, as enabling the retailer to obtain a profit proportioned to the average time during which his stock in trade remains in his possession.

"We now proceed to show that the division of labour is mainly dependent on abstinence, or, in other words, on the use of capital.

"'In that rude state of society,' says Adam Smith, 'in which there is no division of labour, in which exchanges are seldom made, and in which every man provides every thing for himself, it is not necessary that any stock should be accumulated or stored up beforehand in order to carry on the business of the society. Every man endeavours to supply, by his own industry, his own occasional wants as they occur. When he is hungry, he goes to the forest to hunt; when his coat is worn out, he clothes himself with the skin of the first large animal he kills; and when his hut begins to go to ruin, he repairs it as well as he can with the trees and the turf that are nearest to it.

"'But when the division of labour has once been thoroughly introduced, the produce of a man's own labour can supply but a very small part of his occasional wants. The far greater part of them are supplied by the produce of other men's labour, which he purchases with the produce, or, what is the same thing, with the price of the produce of his own. But his purchase cannot be made until such time as the produce of his own labour has not only been completed, but sold. A stock of goods of different kinds, therefore, must be stored up somewhere, sufficient to maintain him, and to supply him with the materials and tools of his work, till such time, at least, as both these events can be brought about. A weaver cannot apply himself entirely to his peculiar business, unless there is beforehand stored up somewhere, either in his own possession, or in that of some other person, a stock sufficient to maintain him, and to supply him with the

materials and tools of his work, till he has not only completed, but sold his web. This accumulation must evidently be previous to his applying his industry for so long a time to such a peculiar business.'

—*Wealth of Nations, Book 2, Introduction.*

"Perhaps this is inaccurately expressed; there are numerous cases in which production and sale are contemporaneous. The most important divisions of labour are those which allot to a few members of the community the task of protecting and instructing the remainder. But their services are sold as they are performed. And the same remark applies to almost all those products to which we give the name of services. Nor is it absolutely necessary in any case, though, if Adam Smith's words were taken literally, such a necessity might be inferred, that, before a man dedicates himself to a peculiar branch of production, a stock of goods should be stored up to supply him with subsistence, materials, and tools, till his own product has been completed and sold. That he must be kept supplied with those articles is true; but they need not have been stored up before he first sets to work; they may have been produced while his work was in progress. Years must often elapse between the commencement and sale of a picture. But the painter's subsistence, tools, and materials for those years are not stored up before he sets to work: they are produced from time to time during the course of his labour. It is probable, however, that Adam Smith's real meaning was, not that the identical supplies which will be wanted in a course of progressive industry must be already collected when the process which they are to assist or remunerate is about to be begun, but that a fund or source must then exist from which they may be drawn as they are required. That fund must comprise in specie some of the things wanted. The painter must have his canvass, the weaver his loom, and materials, not enough, perhaps, to complete his web, but to commence it. As to those commodities, however, which the workman subsequently requires, it is enough if the fund on which he relies is a productive fund, keeping pace with his wants, and virtually set apart to answer them.

"But if the employment of capital is required for the purpose of allowing a single workman to dedicate himself to one pursuit, it is still more obviously necessary in order to enable aggregations, or classes of producers, to concur, each by his separate exertions, in one production. In such cases even the mere matter of distribution, the mere apportionment of the price of the finished commodity among the different producers requires the employment of a considerable capital,



and for a considerable time, or, in other words, a considerable exertion of abstinence. The produce of independent labour belongs by nature to its producer. But where there has been a considerable division of labour, the product has no *one* natural owner. If we were to attempt to reckon up the number of persons engaged in producing a single neckcloth, or a single piece of lace, we should find the number amount to many thousands: in fact, to many tens of thousands. It is obviously impossible that all these persons, even if they could ascertain their respective rights as producers, should act as owners of the neckcloth or the lace, and sell it for their common benefit.

“This difficulty is got over by distinguishing those who assist in production by advancing capital, from those who contribute only labour—a distinction often marked by the terms master and workman; and by arranging into separate groups the different capitalists and workmen engaged in distinct processes, and letting each capitalist, as he passes on the commodity, receive from his immediate successor the price both of his own abstinence and of his workmen’s labour.

“It may be interesting to trace this process in the history of a coloured neckcloth or a piece of lace. The cotton of which it is formed may be supposed to have been grown by some Tennessee or Louisiana planter. For this purpose he must have employed labourers in preparing the soil and planting and attending to the shrub for more than a year before its pod ripened. When the pod became ripe, considerable labour, assisted by ingenious machinery, was necessary to extricate the seeds from the wool. The fleece thus cleaned was carried down the Mississippi to New Orleans, and there sold to a cotton factor. The price at which it was sold must have been sufficient, in the first place, to repay to the planter the wages which had been paid by him to all those employed in its production and carriage; and, secondly, to pay him a profit proportioned to the time which had elapsed between the payment of those wages and the sale of the cotton; or, in other words, to remunerate him for his abstinence in having so long deprived himself of the use of his money, or of the pleasure which he might have received from the labour of his work-people, if, instead of cultivating cotton, he had employed them in contributing to his own immediate enjoyment. [The share of the planter is made up of wages for his own time and attention, and his proportion of the extra production caused by the aid received from the use of his capital.] The New Orleans factor, after keeping it perhaps five or six months, sold it to a Liverpool merchant. Scarcely any labour could have been expended on it at New Orleans, and, in the absence of accidental circumstances,

its price was increased only by the profit of the cotton factor. [His proportion of the product of the labour of those who were in the meantime enabled to apply their own capital in some other mode in aid of their exertions.] A profit which was the remuneration of his abstinence in delaying, for five or six months, the gratification which he might have obtained by the expenditure on himself of the price paid by him to the planter. The Liverpool merchant brought it to England and sold it to a Manchester spinner. He must have sold it at a price which would repay, in the first place, the price at which it was bought from the factor at New Orleans; in the second place, the freight from thence to Liverpool; (which freight includes a portion of the wages of the seamen, and of the wages of those who built the vessel, of the profits of those who advanced those wages before the vessel was completed, of the wages and profits of those who imported the materials of which that vessel was built, and, in fact, of a chain of wages and profits extending to the earliest dawn of civilization;) and, thirdly, the merchant's profit for the time that these payments were made before his sale to the manufacturer was completed.

"The spinner subjected it to the action of his work-people and machinery, until he reduced part of it into the thread applicable to weaving muslin, and part into the still finer thread that can be formed into lace.

"The thread thus produced he sold to the weaver and to the lacemaker; at a price repaying, in addition to the price that was paid to the merchant, first, the wages of the work-people immediately engaged in the manufacture; secondly, the wages and profits of all those who supplied, by the labour of previous years, the buildings and machinery; and, thirdly, the profit of the master spinner. It would be tedious to trace the transmission of the thread from the weaver to the bleacher, from the bleacher to the printer, from the printer to the wholesale warehouseman, from him to the retailer, and thence to the ultimate purchaser; or even its shorter progress from the lacemaker to the embroiderer, and thence to the ultimate purchaser. At every step a fresh capitalist repays all the previous advances, subjects the article, if unfinished, to further processes, advances the wages of those engaged in its further manufacture and transport, and is ultimately repaid by the capitalist next in order all his own advances, and a profit proportioned to the time during which he has abstained from the unproductive enjoyment of the capital thus employed.

"It will be observed, that we have not mentioned the taxation that must have been incurred throughout the whole process which we

have described, or the rent that must have been paid for the use of the various appropriated natural agents whose services were requisite or beneficial. [Or profits of capital invested in rendering land and other natural agents productive.] We have left rent unnoticed, because its amount depends so much on accident that any further allusion to it would have much increased the complexity of the subject. We have not expressly mentioned taxation, because it is included under the heads which we have enumerated. The money raised by taxation is employed in paying the wages and profits of those who perform, or cause to be performed, the most important of all services, the protecting the community from fraud and violence. Those who are thus employed afford precisely the same assistance to the merchant or the manufacturer, as the private watchman who protects the warehouse, or the smith who fortifies it with bars and padlocks.

“Our limits prohibit our attempting to trace the gradual increase of the value of a pound of cotton from the time it was gathered on the banks of the Mississippi, till it appears in a Bond Street window as a piece of elaborate lace. We should probably be understating the difference if we were to say that the last price was a thousand times the first. The price of a pound of the finest cotton wool, as it is gathered, is less than two shillings. A pound of the finest cotton lace might easily be worth more than a hundred guineas. No means, except the separation of the functions of the capitalist from those of the labourer, and the constant advance of capital from one capitalist to another, could enable so many thousand producers to direct their efforts to one object, to continue them for so long a period, and to adjust the reward for their respective sacrifices.—*Outline*, pp. 157—162.

## CHAPTER XX.

## WAGES AND PROFITS.—DEFINITION.

THE whole revenue of a nation, or the sum of exchangeable values produced, is due to the exertion of present labour, aided by capital, the result of anterior labour, and is divided between them. The reward of the former is wages; the share of the owner of the latter is profit. The two combined constitute what are termed the *profits of trade*, which are not unfrequently confounded with *profits of capital*, by which much difficulty is produced. We propose now to inquire in what consists the difference between them.

A man possesses one hundred thousand dollars in government stock, yielding him five per cent. He sees that by investing it in bank stock he may obtain six per cent.; in stock of insurance companies, seven per cent.; in ships, nine or ten per cent., but that if he will engage in trade he may make perhaps twelve per cent., thus more than doubling his income. Why does he not? Why does he permit his money to remain where it yields him only five thousand dollars per annum, when he might have ten or twelve thousand? Because he desires to avoid the labour, anxiety, and risk, attendant upon other modes of investment. By one he would be called upon to devote a small part of his time, and take a small risk; by another, the labour and risk would be increased; and, by the last, he would be called upon to devote his whole time, and assume a large amount of care and risk, the return for which would be his increased income. In other words, he would be required to devote his time and his talents to its employment and would receive *wages* therefor. *The actual profits of capital would be five per cent., and the additional sum would be received as wages, or a reward for the devotion of his time and attention* in superintending his investments, and would enable him to provide a fund to insure himself against any loss that might arise out of the mode of invest-

ment he had chosen. The whole would be styled "*profits of trade.*"

If a man occupied a house in which he could employ a capital of fifty thousand dollars, yielding him six thousand dollars, interest being six per cent., he would have three thousand dollars for the profit of capital, and an equal sum for the payment of rent and for his wages. If the former were five hundred dollars, his wages would be two thousand five hundred dollars. If, in an adjoining street there were a house in which he could use one hundred thousand dollars as advantageously, he would rent it provided it could be obtained at such rate as would give him an amount of wages that would pay him for the greater amount of time required, and for the increased risk to be incurred, but not otherwise. Interest, at six per cent., upon the capital to be used, would amount to six thousand dollars, leaving six thousand dollars for rent and wages. If the house could be had at fifteen hundred or two thousand dollars, leaving him four thousand or four thousand five hundred dollars, to compensate him for the devotion of his time and attention, he would probably transfer himself and his business to it.

Before doing so, he would ascertain that he could have the proper amount of capital at six per cent. If, on inquiry, he found that the rate of interest had risen to seven per cent., he would see that the increased rent and interest would absorb nearly all the additional return, and that his profits of trade would yield him little more wages than before. He would be obliged to insure to the possessor of the house a certain interest upon its value, and to the owner of other capital a certain interest upon the sum that he required to use, and unless he could do so and retain a sufficient compensation for the application of his time and talents, it would be better for him to try some other pursuit. The great mass of the people in trade are in this situation. They use the capital of others in various forms, paying rent for some of it, and interest upon other portions. They insure to the owners a certain profit, and their own reward, or *wages*, is contingent upon the result, and may be ruin, or a large fortune. Their clerks give up the *chance of large wages*, for a *small, but certain*, compensation for their labour.

Another person sees an opportunity of using one hundred

thousand dollars in such a manner as will yield a profit of twenty thousand dollars. If he value his time and talent, for such an operation, at four thousand dollars, he will be willing to give to the person who supplies the capital, sixteen thousand dollars, unless he can make a better arrangement. All he wants is a proper reward, or wages, for his time.

Were there no usury laws, he might offer to the capitalist an interest of eight, ten, or twelve per cent., but as wise legislators undertake to limit the extent of profits, he is debarred from making such an arrangement, and compelled to give the chief part of what can be made by the operation. Were men permitted to manage their business in such manner as they might deem most advantageous, capital would be rendered more productive; many men who are now obliged to live upon moderate salaries would be enabled to command double, or treble, the reward for their time and talents; and the return to the capitalist would be increased by the freedom with which it could be employed. Production would be increased, and all would be benefited.

It is usual to speak of similar operations as yielding *profits*, but *the profits of capital are received as rent and interest only*, and additional reward will always be found to be received as compensation for risk incurred, for the exercise of skill, or for the devotion of time; and therefore to be included under the term wages. To show the difficulty that arises from attaching the idea of profits of capital to any portion of this additional return, we will state the following cases.

A man whose business is to sell oysters, but who, from having no machine in which to carry them about, is compelled to depend upon his hands for the purpose, finds that he can obtain but a shilling per day for his labour. In a short time he obtains a sufficient amount of capital to purchase a basket, and thereby doubles his compensation. No one would undertake to say that the additional reward was profits of capital. He would be considered as receiving better wages. In a short time he saves enough to purchase a wheelbarrow, and again doubles his wages, obtaining, now, four shillings per day. By and by the streets of the town are paved, and he is able to wheel twice the quantity that he has heretofore done, and his wages rise to

eight shillings per day. If the advantage arising out of the substitution of the wheelbarrow for the basket constitute “profits,” so does that which arises out of the paving of the streets, towards which he has perhaps contributed a small sum in taxes. His real *wages*, in this case, would be eight shillings, deducting therefrom whatever he would have been allowed as *interest* upon the capital used in purchasing the wheelbarrow, and the tax imposed upon him for paving the street. His *profits* would be what he could obtain for the use of the wheelbarrow, if hired out to another person, after deducting *wages* for the time that he would be employed in collecting it.

A hair-dresser who occupies a shop for which he pays fifty dollars per annum, and in which he can make only two hundred dollars wages, transfers himself to a more fashionable street, rents a shop that is already furnished with mirrors, &c., for which he pays five hundred dollars, and is thereby enabled to make one thousand dollars, as the reward of his time and talent. He has obtained the use of a better machine, precisely as did the owner of the wheelbarrow, and makes better wages.

Another hair-dresser who has accumulated some capital, rents a room, and employs his means in furnishing it. The result, being precisely the same as in the former case, would here be styled *profits of capital*, while the other would be called *wages*, whereas the whole of his income, except interest of the capital employed in furnishing his room, is due to his personal exertions, and may properly be termed wages.

The man who enjoys a reputation for honesty and attention to business, is able to obtain the use of the machine he wishes to use, call it money, or sugars, cottons, cloths, or horses, at a lower rate of interest and to a greater extent, than a man of doubtful character, and is thereby enabled to obtain a larger reward for his time. Here the reduced rate of interest is the reward of his honesty and integrity, and should be added to wages, whereas, according to the ordinary use of the term, it would be only additional profits.

If a woman who had made twenty-five cents per day at sewing, were able, on obtaining the use of a spinning-wheel, to double her wages, it would be deemed absurd to ascribe the difference to profits of capital; but it is not more so than in a

case where a man doubles his income in consequence of chartering a ship, instead of a schooner that he had been accustomed to use.

A man possessed of a capital of ten thousand dollars invests it in the purchase of merchandise, and realizes from it two thousand dollars per annum, all of which, according to the usual mode of speech, would be termed profit. He really receives six hundred dollars *interest*, or *profit*, upon his capital, and fourteen hundred dollars reward for the time he devotes to the management of it, or *wages*. If an opportunity occurred of employing his time more advantageously than in the management of his own capital, he would accept a situation in which he would have to manage that of others. If offered a salary of two thousand dollars, he would place his funds in the stocks, and devote his time to the service of his employer. He would then, certainly, be receiving wages. The only difference between that situation and his former one, would be, that in the former case he managed his own capital, whereas he now managed that of others. His next door neighbour had, however, been all the time employed in managing the capital of others, which he had borrowed from them, and for the use of which he paid a compensation termed interest, yet he is considered as living on profits. It may be said, that in the latter case the party employing the capital took the risk of the success of the business, but so does the pedler with his pack, who makes wages only, although employed in the same business which, *on a large scale*, produces what are usually termed profits.

Here we see that the difference between profits and wages, according to the usual acceptation of the terms, is entirely fanciful, and subject to no rule; that a difference in the mode of investment of capital produces a difference in the terms by which the proceeds are distinguished, while the result is precisely the same. Such are the difficulties arising out of the want of a proper definition of the terms.

Profit is that portion of the product of labour which is assigned to the owner of capital, in return for the aid derived from its use by the labourer, and is received by him under the name of rent, or interest.



In thus using the term to indicate the reward of capital only, we are supported by the authority of one of the ablest writers of our time, who says,

“The rate of interest is the measure of the net profit on capital. All returns beyond this on the employment of capital, are resolvable into compensations under distinct heads for risk, trouble, or skill, or for advantages of situation or connexion.”\*

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We shall now give the definitions of several of the principal writers of our time, commencing with Mr. Malthus, who says,

“The profits of capital consist of the difference between the value of the advances necessary to produce a commodity, and the value of the commodity when produced.”†

That difference is the profit of trade, and embraces the wages of the capitalist as well as the profit of capital.

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Mr. Mill considers the profits of capital to be “the share which is received by its owners of the joint produce of labour and stock.”‡ That share is the profit of trade, and embraces the wages of the capitalist.

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Mr. McCulloch says, that profits are

“The produce accruing to the capitalists, after the capital expended by them in payments and out-goings of all sorts is fully replaced.”§

That by this is meant the whole of the return, including wages of management, will be seen by the following passage.

“Suppose an individual employs a capital equivalent to one thousand quarters of corn in the cultivation of a farm, and that he expends seven hundred quarters in the payment of wages, and three hundred in seed and other out-goings: suppose now that the return to this capital is twelve hundred quarters. Under these circumstances, the proportion of the produce falling to the labourers as wages will be to that falling to the capitalist as seven to two; for of the twelve hundred quarters that fall, in the first instance, to the capitalist, two hundred only are profits, one thousand being required to replace the capital that he has expended. In this case, therefore, the *rate* of profit would be said to be twenty per cent.; meaning that the excess of produce belonging to the cultivator, after the capital

\* Tooke on the Currency, p. 12.

† Elements, Chapter II. Section 3.

‡ Principles, p. 293.

§ Principles, p. 477.

employed in its production was fully replaced, amounted to twenty per cent. upon that capital.”\*

How very erroneous would be an estimate of profits of capital formed in this manner, will be seen by the following passage from a more recent work, by the same writer.

“It is, however, to be observed, that this twenty-eight million of gross profit includes, besides the return to the capital possessed by the agriculturists, *all that they receive as wages*, or on account of their labour in superintending and working on their lands. When a fair allowance is made, on this account, it will be seen that the *net* profit realized by the occupiers is of very limited amount.”†

The distinction between *gross* and *net* profits is thus given.

“The first comprises the wages of the capitalist, the return to his capital, and the compensation now alluded to,” (for such risks as it might not be possible to provide against by an insurance,) “while the second consists of the return to capital only.”‡

Here is the same distinction that we have made above, under a different name. What we term “profits of trade,” are termed by Mr. McCulloch “gross profits.”

Wages are defined to be,

“A compensation paid to the labourer in return for the exertion of his physical powers, or of his skill, or ingenuity. They necessarily, therefore, vary according to the severity of the labour to be performed, and the degree of skill and ingenuity required. A jeweller or engraver, for example, must be paid a higher rate of wages than a common servant, or a scavenger. A long course of training is necessary to instruct a man in the business of jewelling and engraving; and were he not indemnified for the cost of this training by a higher rate of wages, he would, instead of learning so difficult an art, addict himself in preference to such employments as hardly require any instruction. Hence, the discrepancies that actually obtain in the rate of wages are all confined within certain limits—increasing or diminishing so far as may be necessary fully to equalise the unfavourable or favourable peculiarities attending any employment.”§

This definition could hardly be regarded as embracing under the term all the compensation received by all employers of capital. The labourer and the mechanic has wages, but so has the

\* Principles, p. 476.

† Statistics of British Empire, Vol. I. p. 536.

‡ Principles, p. 506.

§ Principles, p. 363.

president of a bank or the head of a great mercantile house. Wages are the reward of *personal service* of all descriptions.

The views of Mr. Senior differ so much from those of all previous writers, that we give them in full, desirous that our readers should have an opportunity of seeing all that can be advanced in support of them.

“There are few employments in which extraordinary powers of body or mind do not receive an extraordinary remuneration. It is the privilege of talent to work not only better but more easily. It will generally be found, therefore, that the commodity or service produced by a first-rate workman, while it sells for more than an average price, has cost less than an average amount of labour. Sir Walter Scott could write a volume with the labour of about three hours a day for a month, and for so doing received £500 or £1000. An ordinary writer, with equal application, would find it difficult to produce a volume in three months, and still more difficult to sell it for £50.

“Is then the extraordinary remuneration of the labourer, which is assisted by extraordinary talents, to be termed rent or wages? It originates in the bounty of nature; so far it seems to be rent. It is to be obtained only on the condition of undergoing labour; so far it seems to be wages. It might be termed, with equal correctness, rent, which can be received only by a labourer, or wages, which can be received only by the proprietor of a natural agent. But as it is clearly a surplus, the labour having been previously paid for by average wages, and that surplus the spontaneous gift of nature, we have thought it most convenient to term it rent. And for the same reason we term *rent* what might, with equal correctness, be termed fortuitous profit. We mean the surplus advantages which are sometimes derived from the employment of capital after making full compensation for all the risk that has been encountered, and all the sacrifices which have been made, by the capitalist. Such are the fortuitous profits of the holders of warlike stores on the breaking out of unexpected hostilities; or of the holders of black cloth on the sudden death of one of the Royal family. Such would be the additional revenue of an Anglesea miner, if, instead of copper, he should come on an equally fertile vein of silver. The silver would, without doubt, be obtained by means of labour and abstinence; but *they* would have been repaid by an equal amount of copper. The extra value of the silver would be the gift of nature, and therefore rent.

“Secondly. It is still more difficult to draw the line between profit

and wages. There are, perhaps, a few cases in which capital may improve in value, without superintendence or change, simply by being preserved from consumption. Wine and timber, perhaps, afford instances. But even a wine-cellar or a plantation, if totally neglected, would probably deteriorate. And, as a general rule, it may be laid down that capital is an instrument which, to be productive of profit, must be employed, and that the person who directs its employment must *labour*, that is, must to a certain degree conquer his indolence, sacrifice his favourite pursuits, and often incur other inconveniences from his residence, from the persons to whose contact he is exposed, from confinement or from exposure to the weather, and must also often submit to some inferiority of rank. If labour be in general necessary to the use of material capital, it is universally necessary to the use of that immaterial capital which consists of appropriate knowledge, and of moral and intellectual habits and reputation. A capital created and kept up at more expense, and productive of a greater return than that which is material, but which, from the impossibility of actually transferring it, or implanting in one man the ability of another, can never be productive but through the labour of its possessor.

“Is, then, the remuneration of this labour to be termed wages or profit? A certain portion of it, that portion which would be sufficient to repay equal exertions and hardships endured by an ordinary labourer, unprovided with capital, must, without doubt, be termed wages. And where extraordinary natural talents or favourable accidents have occasioned the exertions of the capitalist to obtain more than an average remuneration, that excess is, as we have already seen, rent. But the revenue to which our present question applies is the revenue obtained from the employment of capital, after deducting ordinary interest on the capital, as the remuneration for the abstinence of the capitalist, ordinary wages, as the remuneration for his labour, and any extraordinary advantages which may have been the result of accident.

“The subject may be made clearer by a few examples; and we have endeavoured to find some in which the remuneration for the capitalist's trouble, instead of being, as is usually the case, mixed up with the gross amount of his returns, appears as a separate item. The trade of bill-broking affords an instance. The business of a bill-broker is to advance, before it becomes due, the money for which bills of exchange are drawn, deducting, under the name of discount, interest at the rate of not more than five per cent. per annum on the sum

secured by the bill. In time of peace, and in the ordinary state of the money-market, the rate of discount varies from four to three per cent. per annum. It has been sometimes as low as two and a half. It appears at first strange that such a trade should exist, since the money capital employed in it does not return even so high a profit as may often be obtained from the public funds, leaving the additional risk and labour uncompensated. It is, in fact, a trade which no one *would* carry on if he employed in it his own money.

“The commercial inhabitants of a great trading city have from time to time under their control considerable sums of money for short periods. Scarcely a single estate in this country is mortgaged or sold without the price or the mortgage money being placed for some days at a banker’s or agent’s until the ‘more last words’ of the lawyers have been said. These sums cannot in the mean time be employed in any permanent investment; but they can be lent from day to day, or, in some cases, from week to week, and it is better to lend them at the lowest rate of interest than to suffer them to lie perfectly idle. The bill-broker’s trade is to borrow these sums from week to week, or even from day to day, at one rate of interest, and to lend them from month to month, or for two or three months, at a higher. To borrow, for instance, at two per cent., and to lend at three.

“It is obvious that these operations require much knowledge, industry, and skill. The broker must be well acquainted with the circumstances of almost every eminent commercial man in order to estimate the value of his acceptance or endorsement. He must keep up his knowledge by unremitting observation, and by inferences drawn from very slight hints and appearances. He must also have the skill so to manage his concerns as to have his receipts always falling in to correspond with his engagements. This knowledge, and the moral and intellectual habits which enable him to apply it, form his personal or immaterial capital. But he must also have a material capital, not for the purpose of being employed in his business, for no one would so employ money of his own, but as the means of obtaining confidence. The interest paid by a broker is so trifling that no one would lend to him if it implied the slightest risk; and the best pledge which he can give is the notoriety of his possessing a large capital, which could at any time make good an unforeseen interruption in his regular receipts. This capital he must not waste, but he may employ it productively, and may consume on himself the annual profit derived from it. The confidence which it enables him to enjoy is a distinct advantage.

“We will suppose a bill-broker to possess £100,000 in the four per cents; and to have sufficient knowledge, skill, and character as a man of business and of wealth, to be able, at an average throughout the year, to borrow £400,000 at two per cent., and to lend the same sum at three per cent. Is the £4000 a year, which his business would give him, wages or profit?

“Again, a capital which in this country would enable its employer to obtain ten per cent., would often, if he were to employ it in Jamaica or Calcutta, produce fifteen or twenty. If the capitalist with £50,000 encounter the climate and the society of Jamaica, and is rewarded by his annual returns being raised from £5000 to £7500, is his additional income of £2500 a year, wages or profit?

“There is no doubt that a sufficient portion of it to purchase the same services from a person unprovided with capital, must be considered as wages: £500 a year, however, would considerably exceed this sum. The remaining £2000 a year may be considered, with equal correctness, either wages, which can be received only by the possessor of £50,000, or profit, which can be received only by a person willing to labour in Jamaica.

“Adam Smith considers it as profit. ‘The profits of stock,’ he observes,\* ‘it may, perhaps, be thought, are only a different name for the wages of a particular sort of labour, the labour of inspection or direction. They are, however, altogether different, are regulated by quite different principles, and bear no proportion to the quantity, the hardship, or the ingenuity of this supposed labour of inspection and direction. They are regulated altogether by the value of the stock employed, and are greater or smaller in proportion to this stock. If we suppose two manufacturers, the one employing a capital of £1000 and the other one of £7300, in a place where the common profits of manufacturing stock are ten per cent., the one will expect a profit of about £100 a year, while the other will expect about £730. Yet their labour of inspection may be very nearly or altogether the same. In many great works, almost the whole labour of this kind is committed to some principal clerk. His wages properly express the value of this labour of inspection and direction. Though in settling them some regard is commonly had, not only to his labour and skill, but to the trust which is reposed in him, yet they never bear any regular proportion to the capital of which he oversees the management. And the owner of this capital, though he is thus discharged

of almost all labour, still expects that his profits should bear a regular proportion to his capital.'

"After much hesitation, we have resolved to adopt this as the most convenient classification, and to confine the term wages to the remuneration for simple labour; including under the word labour the endurance of all its attendant hardships, but excluding from the word wages the additional revenue which the labourer often receives because he happens to be also a capitalist. We have done so on the grounds which are so ably stated in the passage which we lastly quoted.

"To revert to our supposition of a capitalist with £50,000, repaid by an extra revenue of £2500 a year for living in Jamaica: it is clear that another capitalist taking there £100,000 would, *cæteris paribus*, obtain an extra revenue of £5000 a year, and *that* notwithstanding his labour would not necessarily be greater than that of the first mentioned capitalist, or notwithstanding it might in fact be much less. Perhaps the best plan might appear to be, to apply the term *wages* to the remuneration of mere labour, the term *interest* to the remuneration of mere abstinence, and the term *profit* to the combination of wages and interest, to the remuneration of abstinence and labour combined. This would make it necessary to subdivide capitalists into two classes, the inactive and the active: the first receiving mere interest, the second obtaining profit.

"In this, however, as in many other cases, the inconveniences occasioned by departure from an established nomenclature and an established classification are so great, that we do not think that they will be compensated by the nearer approach to precision. We shall continue, therefore, to include under the term profit the whole revenue that is obtained from the possession or employment of capital, after deducting those accidental advantages which we have termed rent, and also deducting a sufficient sum to pay to the capitalist, if actively employed, the wages which would purchase an equal amount of labour from a person unpossessed of capital. In one respect, however, we are forced to differ from Adam Smith. Although he considers the useful acquired knowledge and abilities of all the inhabitants of a country as part of the national fortune, as a capital fixed and realized in the persons of their possessors, yet he generally terms the revenue derived from this capital *wages*. 'The average and ordinary rates of profit in the different employments of stock are,' he observes, 'more nearly on a level than the wages of the different sorts of labour. The difference between the earnings of a common

labourer and those of a well employed lawyer or physician, is evidently much greater than that between the ordinary profits in any two different branches of trade.\*

“According to our nomenclature (and indeed according to that of Smith, if the produce of capital is to be termed profit) a very small portion of the earnings of the lawyer or of the physician can be called wages. Forty pounds a year would probably pay all the labour that either of them undergoes, in order to make, we will say, £4000 a year. Of the remaining £3960, probably £3000 may in each case be considered as rent, as the result of extraordinary talent or good fortune. The rest is profit on their respective capitals; capitals partly consisting of knowledge, and of moral and intellectual habits acquired by much previous expense and labour, and partly of connexion and reputation, acquired during years of probation while their fees were inadequate to their support.”†

Here, all compensation above that of the ordinary labourer is considered fortuitous and classed with that derived from the fertility of the soil, or other accidents, as rent—and is to be received as “the spontaneous gift of nature.” We are disposed to believe that this division will be found much more troublesome than any of those that have preceded it. The most active and attentive soldier—the man of the whole regiment who owes most to nature, cannot be made a serjeant unless he has learned to read and write. If possessed of those advantages he has a large increase of compensation. Is this wages, or rent? The common sailor, active, attentive, and sober, becomes a mate, and gradually rises to the rank of master, while those who commenced with equal advantages, but were perhaps less sober, remain before the mast. Is his extra compensation rent? Let the reader look around him and mark how many men have risen from nothing, without possessing any extraordinary talent, and are now enjoying large incomes, the result of their industry and economy. Let him then determine whether they have been receiving rent, the reward of extraordinary talent—the gift of nature; or wages, the compensation of ordinary talent, accompanied by industry and economy.

Fortuitous profits of all kinds are included under the designa-

\* Book 1. ch. X.

† Outline, pp. 182, 183, 184.



tion of rent, and the holders of black cloth, or of warlike stores, are made receivers of it. The finder of a bag of gold, or the fortunate owner of a ticket in the lottery, or the owner of a ship which chances to enter a blockaded port, or of a horse that wins the St. Leger stakes, are all receivers of rent. To admit this would, we think, tend to render the study of the science still more complicated than it has heretefore been, which is certainly greatly to be deprecated.

This departure from the ordinary nomenclature is followed by another, which limits wages to the compensation of ordinary labour. The effect which this produces is clearly shown in the last paragraph above quoted, where the earnings of a lawyer are divided into wages, rent, and profits, producing a degree of complication that could never be surmounted by the student.

The bill-broker is possessed of knowledge, industry, and skill, and the compensation he receives is the reward of those qualities, aided by a certain amount of capital. The revenue that that capital would produce him without personal attention is the profit upon it, while the remainder constitutes his wages, or the reward of his services in its management.

The man who transfers his capital to Jamaica must be paid for the risks he undergoes, and unless the sum be adequate to compensation therefor, he will remain at home. If the compensation be too large for the trouble, and risk and inconveniences, many others will follow his example and the rate of wages will be reduced. If agents, fully worthy of trust—who would be equal to the principal—could be had for £ 500, many persons would avail themselves of the opportunity of investing their capital in Jamaica, and would continue to do so until the profits thereof should fall, or the salaries of agents should rise, so as to bring the profits of the two places so nearly to a level that the difference would be only a fair compensation for the trouble and risk. The reason that capital continues high in remote places, is that the skill and integrity required for its management cannot be obtained at such rates of compensation as are indicated by Mr. Senior.

We do not agree in the supposition that because one capitalist could, with £ 50,000 make fifteen per cent., another with

£100,000 could do the same. We have abundant evidence that such is not the case. The man who borrows in England £50,000 at five per cent., and uses it in such manner as to obtain fifteen per cent., has ten per cent., or £5,000, as his *wages*. If he could obtain £50,000 more at the same rate, he would be content with a profit of twelve per cent., giving him £7,000 as wages. If he could afterwards double his operations he would be content with a much smaller proportion. The amount thus retained could not be greater than would be required to give him a proper compensation for the ability required for its management, because if he obtained more, there would be competitors who would be willing to render the same services at a reduced compensation, and taking, therefore, a smaller *proportion*, or eight in place of ten per cent. The reason why the *profits of trade* are higher in the West Indies and Australia is that smaller quantities of capital can be used, and the employer of it is compelled to demand a larger *proportion* in order to enable him to obtain a proper remuneration for his time, for the sacrifices incident to a residence in those countries, and to enable him to pay the increased prices of all the commodities required for his consumption. Were that not the case, the owners of large capitals in England would transfer themselves to the West Indies or Australia, taking eight or ten per cent., in preference to three or four per cent. Were they to do so, however, they would find that with increased labour they would have a decreased amount of commodities at command. For a further examination of this subject we must refer the reader to our sixth chapter.

Mr. Senior says, "the revenue arising from a dock, or a wharf, or a canal, is *profit* in the hands of the *original constructor*. It is the reward of *his* abstinence in having employed capital for the purposes of production, instead of for those of enjoyment."\* The bill-broker who makes £4000 per annum, in consequence of his well earned reputation for activity, skill, and industry, is supposed to have this as *rent* for these *fortuitous* advantages, but if he invest a part of the capital which he saves out of this sum in *building* a house, a mill, or

\* Outline, p. 182.

a bridge, he receives *profits* and *not rent*. If, instead of *building* a house he should purchase one that was *built* by another person, he would still receive profits, but if he should purchase one *inherited* by the seller, that seller being a receiver of rent, it would follow that he, the bill-broker, must likewise be a receiver of *rent*. It appears to us that the complication that would arise out of the adoption of the nomenclature proposed by Mr. Senior, would be such as to quadruple the difficulty of mastering the science.

*Profits are the compensation received for the use of capital, the accumulated labour of past times, while wages are obtained by present labour, and are the reward of time, attention, talent, and often of the sacrifice of convenience, comfort, and even of health. The first is paid for the aid of things, and the last for the services of men.*

## CHAPTER XXI.

## SUMMARY.

WE now submit to the reader the following propositions, embracing the results at which we have arrived.

I. That man desires to maintain and to improve his condition.

II. That he endeavours to accomplish this object by applying himself to the production of such things as are either useful or agreeable to him.

III. That as he cannot increase or decrease the quantity of matter of which the world is composed, he has it only in his power to alter in its form, or in its place, the matter already existing. Production, therefore, consists in the appropriation, alteration, or transportation, of the gifts of nature.

IV. That the articles so produced have value in his estimation, because of the labour that has been given in exchange for them.

V. That the values thus produced constitute his revenue.

VI. That a portion of his revenue is applied to the satisfaction of present wants, and the remainder is laid by for future enjoyment, or to aid him in further production.

VII. That the portion thus laid by constitutes his capital, under which head is embraced all articles possessing exchangeable value, whether in the form of land, houses, ships, provisions, diamonds, or commodities of any other description.

VIII. That capital aids labour and increases the power of production. That it also facilitates the division of employments, and combination of labour.

IX. That labour thus aided is improved in its quality.

X. That every improvement in the *quality* of labour tends to diminish the *quantity* required for the production of any commodity, and to facilitate its acquisition.

XI. That the value of all commodities, *at the time of production*, is estimated by the *quantity and quality* of labour required to produce them.

XII. That as every improvement in the *quality* of labour tends to diminish the *quantity* of labour required for the production of any commodity, it follows, that it also diminishes the quantity that can be obtained in exchange for commodities of a similar description already accumulated.

XIII. That there is, therefore, as labour improves in its quality, a constant tendency to diminution in the quantity thereof that can be obtained in exchange for existing capital. The value of the latter is limited by the cost of *reproduction*.

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XIV. That the labourer, when he obtains the aid of capital that he does not possess, allows to its owner a portion of the commodities that he is thereby enabled to produce.

XV. That the portion which he retains, is termed wages, and that which is received by the owner of capital, is termed profits.

XVI. That wages are the reward of human labour—of the exertion of skill or talent.

XVII. That profits are the compensation paid for the aid of *things* having exchangeable value.

XVIII. That the *profits of trade* are a combination of profits of capital and wages of labour, or superintendence.

XIX. That when labour is of inferior quality, production is small, capital is accumulated with difficulty, and the owner thereof claims a large proportion of the product in return for granting its aid.

XX. That at that time the quantity of commodities to be divided is small. The labourer's *proportion* thereof is small, and he obtains with difficulty the necessities of life. The *proportion* of the capitalist is large, but the *quantity* of commodities is small, and thus he obtains but a small amount of the conveniences and necessities of life, in return for the use of capital produced at great cost of labour.

XXI. That the quantity of commodities to be exchanged is small, and that both labourer and capitalist are obliged to allow to the dealer a large *proportion* to be retained by him as *profits of trade*, thus diminishing greatly their power of obtaining the necessities or conveniences of life.

XXII. That as labour is improved in its quality, it becomes

more productive, capital is accumulated at less cost of labour, and its owner can demand a smaller *proportion* of the product in return for granting its aid.

XXIII. That with every improvement in the quality of labour, the quantity of commodities to be divided is increased. That this increased production is attended by the power, on the part of the labourer, to retain a constantly increasing *proportion* of the commodities produced. He is, therefore, constantly improving in his condition.

XXIV. That although the *proportion* of the capitalist is constantly diminishing with the increased productiveness of labour, this diminished share gives him a constantly increasing *quantity* of commodities, enabling him to increase his consumption, while he rapidly increases his capital. Thus while the facility of accumulation is constantly increasing, there is a steady *diminution* in the *rate* of interest, or profit, and an equally steady *increase* in the amount of commodities that the owner receives in return for the use of any given quantity of capital.

XXV. That the quantity of commodities to be exchanged increases rapidly, and the trader is enabled to obtain constantly *increasing* profits of trade from a constantly *diminishing* proportion of the commodities which pass through his hands. Both capitalist and labourer are, therefore, enabled to obtain a constantly increasing measure of the conveniences, comforts, and luxuries of life, in exchange for their products.

XXVI. That the interests of the capitalist and the labourer are thus in perfect harmony with each other, as each derives advantage from every measure that tends to facilitate the growth of capital, and to render labour productive, while every measure that tends to produce the opposite effect is injurious to both.

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XXVII. That the world at large is governed by the same laws which govern the individual labourers and capitalists, or any number of them constituting a community, or nation.

XXVIII. That the interests of all nations are therefore in harmony with each other, as every measure that tends to lessen production in one nation, tends to lessen the reward of both labourer and capitalist in every other nation, and every measure

that tends to increase it, tends to increase the reward of the labourer and capitalist in every other nation.

XXIX. That it is therefore the interest of all that universal peace should prevail, whereby the waste of population and of capital should be arrested—and that the only strife among nations should be to determine which should make the most rapid advances in those peaceful arts which tend to increase the comforts and enjoyments of all the portions of the human race.

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XXX. That the desire of improving his condition impels man to desire the aid and co-operation of his fellow men.

XXXI. That in the infancy of society the want of capital compels him to depend for a supply of the necessities of life upon the appropriation of those articles produced by nature without his aid, and he is compelled to roam over extensive tracts of land to obtain sufficient to support existence. He relies, exclusively, upon the superior soils.

XXXII. That he is therefore compelled to live apart from his fellow men, or to associate with them in very small communities. Population is, consequently, thinly scattered over the land. Fertile land is abundant, but he has not the means of rendering it productive.

XXXIII. That if successful in his search after food, he does not possess the means of transporting or of preserving that which he does not require for immediate consumption. His life is therefore a constant alternation of waste and starvation. He is poor and miserable.

XXXIV. That with the first accumulation of capital he acquires the power of resorting to an inferior soil for subsistence. He finds that a more limited space will supply his wants, and he is enabled to draw nearer to his fellow men, to unite with them in the division of employment, and thus to obtain their co-operation, by which the labour of all is rendered more productive.

XXXV. That his implements are, however, still rude, and he is obliged to scratch over the surface of a large quantity of land to obtain what is necessary for his support. The surplus above what is necessary for his own consumption is small and the exertions of nearly the whole of the community are requi-

site to secure a supply of food, leaving few for the preparation of clothing, the building of houses, or the production of any other of the comforts of life. His condition is improved, but he is still poor and miserable.

XXXVI. That with the further accumulation of capital he brings into action soils still more inferior, and with every such change finds increased facility in obtaining the necessaries of life from a diminished surface; he is, therefore, enabled to draw daily nearer to his fellow men, and daily more and more to co-operate with them, by which co-operation his labour is rendered daily more productive. This increased facility of obtaining the means of subsistence, causes a constant diminution in the proportion of the population required for the production of food, and enables a constantly increasing proportion to apply themselves to the production of clothing, shelter, and the other comforts of life.

XXXVII. That thus, as capital increases, population becomes more dense, and the inferior soils are brought into action with a constantly increasing return to labour. Men are enabled to benefit by the co-operation of their neighbours, and habits of kindness and good feeling take the place of the savage and predatory habits of the early period. Poverty and misery gradually disappear, and are replaced by ease and comfort. Labour becomes gradually less severe, and the quantity required to secure the means of subsistence is diminished, by which he is enabled to devote more time to the cultivation of his mind. His moral improvement keeps pace with that which takes place in his physical condition, and thus the virtues of civilization replace the vices of savage life.

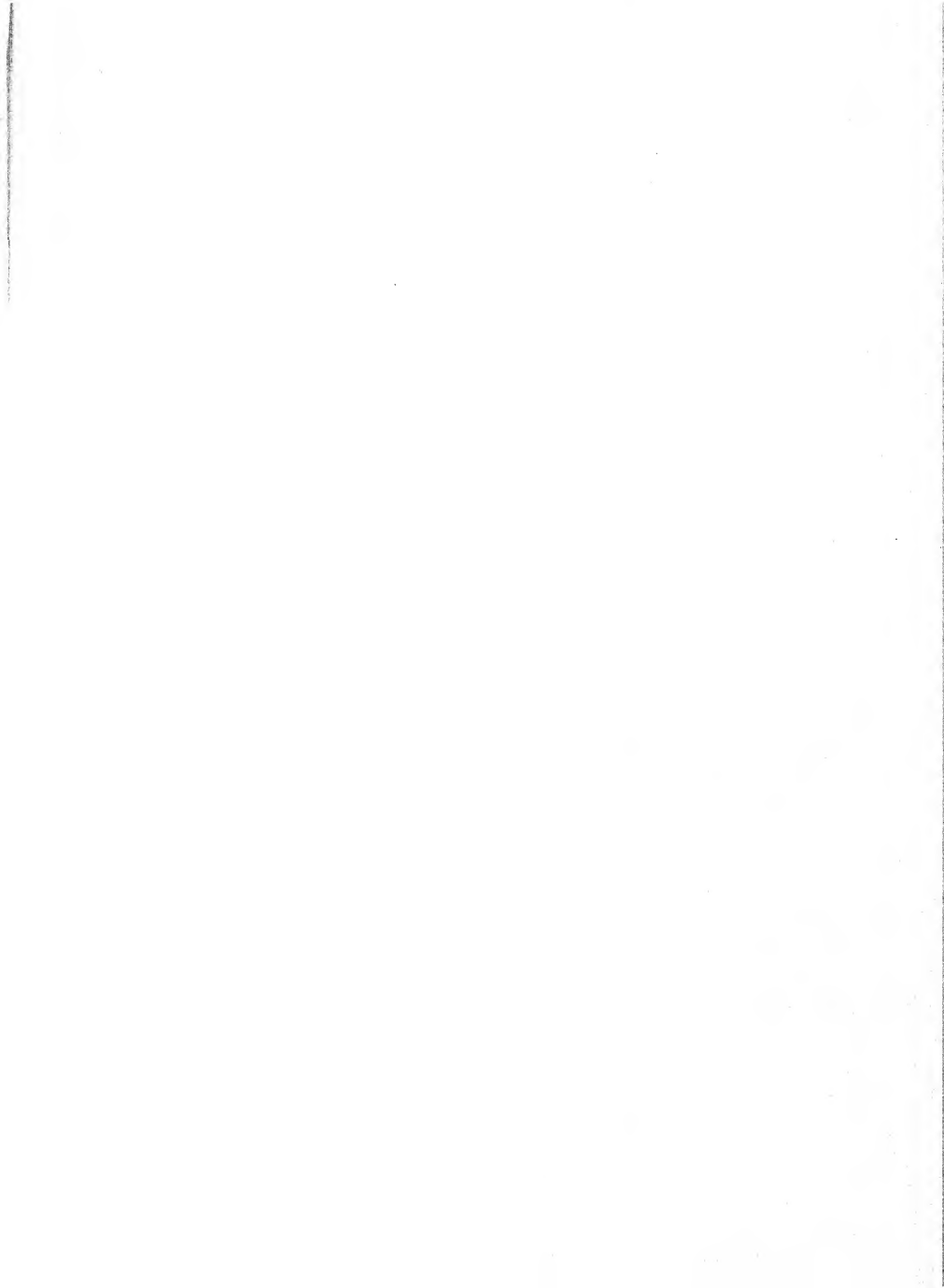
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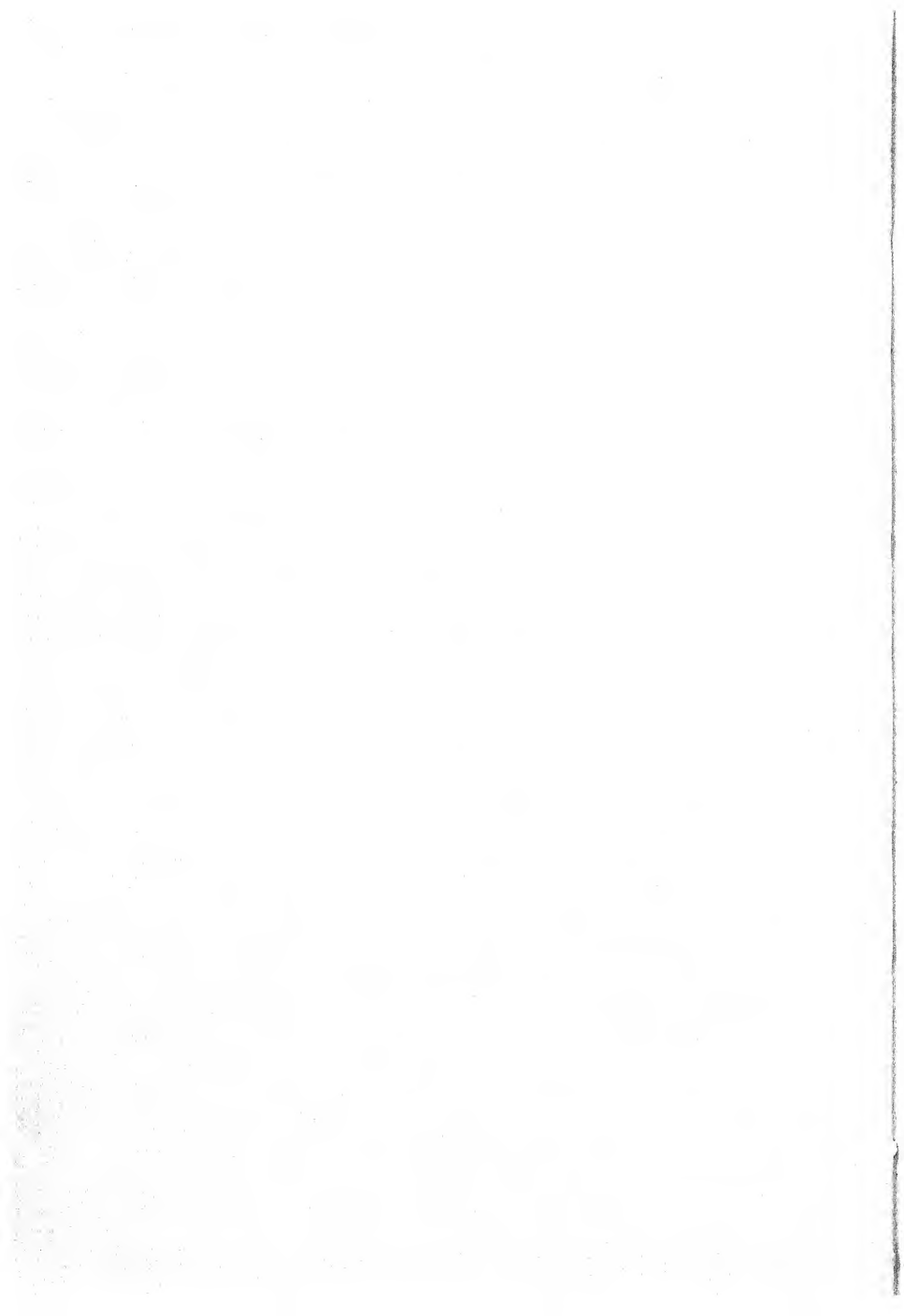
Such we believe are *the laws of nature*, verified by the experience of all the nations of the world. If the reader will now examine the progress of the people of Great Britain, and of the United States, he will see that the propositions above submitted for his consideration are in exact conformity with the changes that have taken place in those countries. All nations have not, however, made equal progress, owing to causes that have arisen out of the interference of man. In the words of our motto, we may say, "God hath made man upright, but he has sought out many



inventions." We propose now to examine the nature of those "inventions," and the extent to which they have operated in various parts of the world, with their results as shown in the growth of population and the condition of the people. If we can show that the condition of the people is poor and miserable, precisely to the extent that those inventions have been permitted to supersede the laws of nature, and that where they have least prevailed there has been the most rapid growth of population—the most rapid increase of wealth—of happiness—and of physical and moral improvement—we may perhaps, be able to satisfy our readers that man *was* made "upright," and that the unfortunate condition in which he exists in so large a portion of the globe, is not the result of any defect in the laws of nature, but of ignorant or perverse interference with those laws, by which, however desirous he may be, he is deprived of the power of improving his condition.

It will be observed that we have omitted all reference to the *principle* of population, or to the results that have been anticipated as likely to arise therefrom at some future period, in consequence of the possibly great increase that may take place. It is sufficient for us, *at present*, if the reader is satisfied that in Great Britain, and in the United States, the two countries in which population has increased most rapidly, the means of support and of enjoyment have increased with still greater rapidity, giving to all classes the means of living better than in former times when population was thinly scattered over the land. On a future occasion we shall inquire how far the relative condition of the nations of the eastern continent corresponds with the density of their population and their rate of increase—into the probable future increase of wealth and of population—and how far the results of past experience would warrant us in permitting the apprehension of the *possible* increase of population to influence present action with a view to arrest its progress.





# POLITICAL ECONOMY.

PART THE SECOND:

OF

THE CAUSES WHICH RETARD

INCREASE

IN

THE PRODUCTION OF WEALTH,

AND

IMPROVEMENT

IN

THE PHYSICAL AND MORAL CONDITION OF MAN.

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BY H. C. CAREY,

AUTHOR OF AN ESSAY ON THE RATE OF WAGES.

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"All discord harmony not understood."—POPE.

"God hath made man upright, but they have sought out many inventions."—  
ECCLESIASTES.

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## ERRATA.

- Page 10, line 9, for "are," read "is."  
25, last Note, for "493," read "394."  
38, last Note, for "1814," read "1819."  
43, Note †, for "Vol. I.," read "Vol. II."  
63, last line, for "Vol. I.," read "Vol. II."  
80, Note †, for "Vol. I.," read "Vol. II."  
103, Note †, for "Vol. I.," read "Vol. II."  
110, line 8 from foot, *dele* "one half of."  
118, Note \*, for "p. 161," read "table."  
121, Note †, for "467," read "470."  
143, Note †, for "p. 20," read "p. 30."  
147, Note †, *dele* the marks of quotation.  
160, Note, last paragraph, *dele* the marks of quotation.  
161, line 25, for "23," read "21."  
164, line 15, for "1830," read "1836."  
165, Note \*, for "325," read "348."  
174, Note †, for "540," read "440."  
178, line 18 of Note, for "44," read "447."  
180, Note \*, for "Montgomery," read "Martin."  
191, line 27, for "10,645," read "19,645."  
200, Note †, for "125," read "148."  
213, Note †, for "Vol. I.," read "Vol. II."  
296, line 27, for "129.77," read "139.77."  
313, line 3 of Note, for "new," read "old."  
" line 4 of Note, for "old," read "new."  
412, line 2, for "continent," read "hemisphere."

The work of M. Lorain, referred to at page 188, is entitled "Tableau de l'Instruction Primaire en France." Paris, 1837.

## P R E F A C E .

IN the First Part of this work the author offered to the consideration of the reader what he deemed to be *the laws* of the production and distribution of wealth. On the present occasion he offers a view of *the disturbing causes* by which the progress of mankind has been retarded or arrested, together with the effect as shown in the quality of labour—in the amount of production—in the mode of distribution—and in the present condition, moral and physical, of various nations.

This portion has extended itself much beyond the limits originally contemplated, the consequence of which is that a third volume will be necessary for the completion of his work. That it has done so has arisen from the mass of facts that he has deemed it necessary to submit to the reader with a view to satisfy him that *the laws* offered for his consideration are universally true, and that *the disturbing causes* produce in all cases similar results.

It will, perhaps, be objected that Political Economy is a science that depends almost exclusively upon reasoning, and that the facts he has adduced are unnecessary. In reply he begs leave to say that theories must be tested by facts, and if not confirmed thereby they must be rejected. Many writers ascribe much of the poverty of the people of France to the law of inheritance under which landed property is divided, and it is therefore important to inquire into the action of that system. All are aware that the people of France are poor, but the minute subdivision of landed property now going on may be *a consequence* of that poverty instead of *a cause*. To determine this question we must inquire into the operations of other nations, and when we do so we find that in Norway the custom of division has prevailed for many centuries without producing the results that are found in France, and that in Scotland, where it did not prevail, the land was, about the middle of last century, split up into small holdings, the whole product of which was barely sufficient to save the occupants from starvation. Here we have in Norway a similar system with different results, and in Scotland a different



It is obviously impossible to admit the division of land as a *cause of poverty*, but we may be authorized to consider it a *consequence thereof*, when we observe that it prevails in all countries in which population increases without a corresponding increase of capital, as in France, India, Ireland, and recently in Scotland, and that it does not exist where population and capital increase together as in England and now in Scotland. It is therefore necessary to seek elsewhere for the causes of the very limited power of production that always accompanies it.

It is held by many writers that increase of population is necessarily accompanied by increased difficulty of obtaining the means of subsistence. If the theory be sound, facts must prove it. On examination, however, we find that increase of population is generally accompanied by both moral and physical improvement, and that where it is not so there are disturbing causes, the work of man, that are abundantly sufficient to account for the difference that exists. The high wages of the United States are usually attributed to the abundance of land. If that were really the cause, we should find them higher in Russia and in South America where it is more abundant, yet such is not the case. If abundance of land tended to produce high wages it would preclude all competition in manufactures and navigation with the nations of the old world, yet in the United States both of those interests are prosperous, yielding high wages to the labourer and large profits to the capitalist. The causes of the prosperity of that country must therefore be sought elsewhere. To ascertain what are those causes, and to show the extent to which they have existed, is the object of this volume. How far the author has succeeded the reader will judge.

In its preparation he has consulted in all cases the best authorities within his reach, and has generally depended for the statements in relation to each country upon the works published therein. In regard to his own he has, however, when he had not documentary information to offer to the reader, preferred to give the views of foreigners, and of such foreigners as were not to be suspected of prejudice in favour of its institutions. The reader will therefore find the works of Messrs. De Beaumont,\* De Tocqueville,† and Chevalier,‡ usually adduced in support of his views in relation to the United States.

# PRINCIPLES

OF

## POLITICAL ECONOMY.

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### PART THE SECOND.

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#### CHAPTER I.

##### OF THE INSTITUTION AND OBJECTS OF GOVERNMENT.

IN the infancy of society population is widely scattered over the earth. Man is dependent for food upon the superior soils, which scarcely afford him, in return to the severest labour, the means of subsistence. At one time he riots in abundance; at another, he is in a state approaching to starvation, when he roams over the earth ready to take by force what is required for the supply of his wants. His hand is against every man, and every man's hand is against him. He is obliged to rely upon his own powers for the protection of his person and of his property, and pursues his labours under the apprehension that the next comer may deprive him of food, of liberty, and perhaps of life.

With improvement in the machinery of cultivation he is enabled to obtain from a diminished surface larger supplies of food—to draw nearer to his fellow men—to unite with them in exertions for their common good—and to devote a larger proportion of his time to the construction of houses, and to increasing in other ways the comforts and conveniences of life. Communities are formed, and each member is enabled to rely upon his neighbour for aid against marauders. Instead of pursuing his avocations under a constant dread of attack, he works in

security while his neighbour is on guard, and that neighbour feels equally secure when his time for labour comes round. He no longer carries his musket to the field; he is no longer compelled to limit his labours to the few acres adjoining his house; he no longer pursues those labours under the apprehension that his house may be burnt, and his wife and children carried into captivity during his temporary absence.

At length a further division of labour takes place, and to certain persons are assigned the duty of attending to defence against exterior enemies, leaving the others to pursue their avocations in peace and security. Population and property increase, and it becomes necessary to establish rules for defining the rights of the various members of the community, and officers are appointed whose duty it is to enforce attention to those rules, or laws.\* In other words, a government is established.†

\* Political economy "shows mankind accumulating wealth, and employing this wealth in the production of other wealth; sanctioning by mutual agreement the institution of property; establishing laws to prevent individuals from encroaching on the property of others by force or fraud; adopting various contrivances for increasing the productiveness of their labour; settling the division of the produce by agreement, under the influence of competition, &c."—*London and Westminster Review*, October, 1836. Among the contrivances for increasing the productiveness of labour, the most important is that which gives security and enables each man to devote his time and attention to the production of the commodities necessary for his subsistence.

† The emigrants to New England, upon their arrival, united in the following agreement for the establishment of a government: "IN THE NAME OF GOD, AMEN! We whose names are underwritten, the loyal subjects of our dread sovereign lord, King James, &c., &c., having undertaken for the glory of God, and advancement of the Christian faith, and the honour of our king and country, a voyage to plant the first colony in the northern parts of Virginia: Do by these presents, solemnly and mutually, in the presence of God and one another, covenant and combine ourselves together into a civil body politic, for our better ordering and preservation, and furtherance of the ends aforesaid; and by virtue hereof to enact, constitute, and frame such just and equal laws, ordinances, acts, constitutions, and officers, from time to time, as shall be thought meet and convenient for the general good of the colony: unto which we promise all due submission and obedience, &c."—*New England Memorial*, p. 37.

A similar case is to be found, at the present day, west of the Mississippi. Upon lands belonging to the United States, not yet surveyed or offered for sale, are numerous bodies of people who have occupied them with the intention of purchasing when they shall be brought into the market. These persons are called *squatters*, and it is not to be supposed that they consist of the *élite* of the emigrants to the west; yet we are informed that they have organized a government for themselves, and regularly elect magistrates to attend to the execution of the laws. They appear, in this respect, to be worthy descendants of the pilgrims.

Upon the establishment of a government, were each individual to state what he would desire to obtain from its formation, as likely to enable him to apply most advantageously his powers to the production of the necessaries of life, and thus most rapidly to improve his condition, it would be found that *every one* would ask *for himself*,

First, that he should be *secure in his person*. He would feel that unless he were so he could devote but a part of his time to production—that if he were obliged to go armed, or to be always on the watch to defend himself, he could not labour to advantage—and that if his house were liable to be attacked, or if he were exposed to be waylaid in going to or from his place of business, a large portion of his time would be lost. He would desire to be secure, on the one hand, from the incursions of invading armies, and, on the other, from the tyranny of *lettres de cachet*—to know that if he conducted himself as a good citizen, he was not liable to be torn from the guardianship of his family and the management of his business, and that so long as he abstained from injuring others, the community guarantied him security, or redress. He would be willing to leave to the law the redress of injuries, knowing that the fear thereof was the best preventive of injury, and would render him more secure than he could otherwise be, were his powers tenfold increased. He would deem it essential to security that he should be free to perform all those actions which did not tend to the injury of others—to change his place of residence—to travel when and where it suited him—to apply his labour or his talents in such manner as he might judge to be most likely to produce advantage—to be a farmer, a brewer, a physician, or a lawyer, without being compelled to ask permission of any one. He would deem it equally essential to enjoy perfect freedom of thought—to be at liberty to investigate for himself, and to form his own opinions without the fear of injury to his person, or of being deprived of any advantages enjoyed by his neighbours, because of entertaining opinions different from those which they believed to be true. He would desire to feel at liberty to make public those opinions, so far as they did not tend to the injury of others. He would wish to feel perfectly free to publish to the world the results of his experience in production, or his views in relation to any matter of science, or art, or government, in order that while he might thereby enable his neighbour to profit by his

experience, he might benefit equally by that of others, and thus by the speedy communication of the results, lessen the risk of making, in various places, and at various times, the same fruitless attempts at improvement.

Second, he would desire to feel that *his property was secure*—that it was not necessary to conceal it as is common in eastern countries, but that he could safely use it in such way as he deemed most likely to promote the increase of his wealth or of his happiness;—that he might invest it in ploughs or horses—in rail roads or canals—in houses or mills—in lands or stocks—in splendid establishments or rich jewelry. Without security he could not invest it in the manner that would most tend to increase his productive powers, and if not at liberty freely to expend the proceeds in such manner as was most agreeable to him, he would have no inducement to exert those powers. He would desire to have perfect control over the products of his labour; to use his commodities, or to exchange them, whether shoes, or hats, or stockings, for the wheat, cotton, or wool of his neighbours, for the sugar of the West Indian, or the tea of the Chinese, freely and without restraint of any kind; to give his shoes to the man who would give him the most corn for them, knowing that no regulation which tended to lessen the quantity of corn that they would command, could benefit him. He would feel that if a day's labour would give him a bushel of wheat produced in one place, there could be no reason why he should accept in lieu thereof, half a bushel produced in another—and that any measure that might render it necessary for him to do so, or that would compel him to apply his labour to the production of wheat, yielding him only half a bushel in return for a day's labour, when he could obtain a bushel in exchange for the coats or shoes that he could produce in the same time and with the same exertion, would diminish his power of improving his condition. He would feel that interference with the power of freely applying his labour and freely exchanging its products, was a violation of his rights of person and of property.

Third, he would desire to have the power of retaining in his possession, and of having the enjoyment of the whole fruits of his labour. Security could not be obtained without contributions for the support of those charged with the preservation of the public peace, but he would wish to have it at

as small cost as possible, and he would desire that each member of the community should contribute in the proportion of his interest in its maintenance. Any demand upon him for more than his fair proportion of the sum necessary for the *economical* administration of the government, he would deem interference with his rights, tending to diminish his security.

Such would be the demand of each member of such a community, *for himself*. Every one would feel that if free to employ his time, attention, and talents, in such manner as appeared to himself most likely to maintain and improve his condition, his labour would be more productively applied than if he were obliged to do so under the dictation of others. There might, however, be some who would object to granting to all this perfect freedom in the employment of person or of property—in the formation or publication of opinions—in the employment of capital in aid of labour—yet were an inquiry instituted it would be found that *those persons would be the last to yield to others the power to dictate to them how they should employ their time or their property, or what opinions they should entertain; or to admit that their productive powers could be augmented by any regulations*. They would claim *for themselves* perfect freedom, although they might not be disposed to grant it to their neighbours. It would then be fair to conclude that what they *desired* for themselves was what they should *grant* to others, as tending most to enable all to attain the object for which they were about to associate themselves—the improvement of their condition.

The tendency to association is natural to man. It has its origin in the desire of maintaining and improving his condition. Each feels that he may derive benefit from his neighbour, and knows that to enable him to do so he must grant aid in his turn. If two men are thrown on an island, they associate for mutual security, but neither will grant to the other any control over his actions, nor will either contribute a larger amount of labour in building the house, or in guarding against the attacks of wild beasts, than the other. All the rules of a well constituted government exist in this case. Each recognises in the other the right to call upon him to aid in rendering his person and his property secure; each admits that he is bound to contribute equally to the maintenance of that security; and each feels that the more perfect it can be rendered, the more advantageously

can he devote his time to the production of those commodities which are included under the term *wealth*. When men associate in larger numbers, the rights and duties of each member remain the same, and the only difference is that those rights and those duties are reduced to writing, and termed *laws*. The object is the same as that sought by the two men who first associated themselves together.

That object could not, however, be fully attained while man cultivated only the superior soils. A small population, scattered over an extensive surface, could not obtain security from a foreign foe, unless a large *proportion* of the people were maintained under arms. They might build castles or fortresses for the protection of their persons and of their moveable property, but to do so would require a vast expenditure of labour, and yet their lands would be liable to be ravaged as were, in former times, those of the frontier counties of England and Scotland, styled the debateable lands; or the western parts of New York, Pennsylvania, and Virginia, in the last century. Security would be incomplete, notwithstanding a great expenditure of time and of wealth with a view to obtain it.

In that stage of civilization internal security could not be complete. The scattered population would require for that purpose many more officers of justice, courts, prisons, &c., than they could afford to pay for, and with a view to limit contributions, the courts and their officers would be few in number, and would sit at distant periods. The *habit* of deferring to the law would not obtain; individuals would prefer to redress their own injuries, and scenes of violence would be numerous. The *proportion* of their earnings required for the preservation of security, internal and external, would be great, but little real security would be obtained.

The necessity for depending upon fortified towns, or upon fortresses, would render it necessary to be acquainted with the inmates, with a view to guard against treachery, and passports would be in use. Freedom of action would thus be limited.

Under such circumstances, production would be small, and the large *proportion* required for the support of the government would render it necessary to collect taxes upon land, upon exchanges of commodities, and in other modes to interfere with the freedom demanded by individuals in regard to the management of their property. In every way there would necessarily

arise limitations to the enjoyment of that perfect security of person and property that was desired.

As cultivation was improved and the inferior soils were brought into action, population would become more dense, and there would be a constantly increasing facility in obtaining security against internal and external attacks, accompanied by a *constant decrease in the proportion of the earnings of labour required for the payment of those engaged in maintaining it*. A dense population would require no armies to defend it against a foreign enemy, being always prepared to defend itself. It would require neither fortifications nor passports, and labour being consequently more steadily applied to the production of commodities, production would be increased. A diminished proportion of that increased production would be required to maintain the government, and those modes of taxation which tended most to interfere with the free employment of capital and of labour being thus rendered unnecessary, would be abandoned, and the community would be freed from taxes upon exchanges and from other restraints. With every increase in the density of population there would be increased security, accompanied by increased freedom of action, and by a steady diminution in the *proportion* of the product of labour required for the maintenance of the government. It must be obvious to the reader that a country containing one thousand square miles, and with a population of ten or twenty to the square mile, could not afford to pay for maintaining security so well as when it came to contain fifty, sixty, or seventy thousand inhabitants, and that in the former case the maintenance of a small number of officers must press much more heavily upon the contributors, than would that of the increased number required to give perfect security in the latter: that, in short, a community in the former case resembles a small detachment of troops upon which the duties of guard fall heavily, requiring each man to be on duty every second or third day, whereas the latter resembles an army fully appointed, upon the members of which the duties fall lightly, on account of the great number among whom they are distributed, and which can consequently afford to employ the number that is required to make security perfect.

Government resembles a great insurance office. The members of the community desire security, and are willing to pay a premium in proportion to their interests. When the risks are



few, the proportion required by the insurer is large, but with every increase in the number, he is enabled to take a *diminished proportion*. Here we find the same law that we have already shown to exist in regard to the profits of the capitalist. With every increase in the quantity of capital there is a diminution in the proportion of the proceeds of labour claimed by the capitalist, attended by an increase in his reward. So, in government, with every increase of population and of capital, there is a decrease in the proportion of the product of labour *necessary* for the payment of those who administer the government, accompanied by a constant increase in the amount of their reward, and an equally constant increase in the security enjoyed by the people.

We now submit the following propositions for the consideration of the reader.

I. That man desires to apply his labour in the way that tends to enable him to reap the largest reward from his exertions.

II. That in the infancy of society, being unprovided with instruments to aid him in cultivation, he is compelled to depend for subsistence upon the fruits spontaneously yielded by the earth, and upon the animals which roam wild over its surface. A large space is required to yield him what is necessary therefor, and he lives apart from his fellow men.

III. That in this stage of society, being unprovided with the means of preserving the fruits, or the game, that he has taken, he is frequently without food, and liable to starvation. If he meet with others who have a supply, he seizes that which he needs, and commonly unites murder with robbery. Force and violence prevail over the land.

IV. That the desire of maintaining and improving his condition, induces him to endeavour to accumulate food, houses, bows and arrows, spades, and other aids to labour, and when he has done so, to adopt the measures requisite to secure to him their possession.

V. That the improvement in his modes of production that follows the possession of those machines, enables him to cultivate the inferior soils which would yield nothing to the mere act of appropriation, but which may be made to yield food in return for labour employed in agriculture, and thus to obtain from a more limited space the supplies that are necessary. He is enabled to draw nearer to his fellow men, and to unite with them

in the measures that are necessary for their mutual security. The labour of guarding his property is now divided with others, and he is enabled to devote a larger *proportion* of his time to the production of commodities—to the improvement of his house—and to the further increase of his capital.

VI. That with this further improvement in the machinery of production, an increased population is enabled to obtain support within the limits of their settlement, and their joint labours enable them now to construct block-houses, forts, or castles, for their security. Although a large proportion of the labour of the community is still required therefor, it is yet much less than it was in the earlier stages of the settlement.

VII. That with the further increase of capital man draws gradually nearer to his fellow man, and population becomes more dense—the necessity for defending his rights by force disappears—laws are instituted for securing the rights of person and of property—division of labour takes place—the members of the community are relieved from the necessity for attending personally to the maintenance of order, and consequently are enabled to devote a larger proportion of their time to the production of commodities, and thus more rapidly to improve their condition.

VIII. That population being still scattered, the *proportion* which the number of officers bears to the body of the people is yet large, and the *proportion* of the commodities produced required for payment of their services, and for the building of court-houses, prisons, &c., is also large. Security is yet small, and to obtain that which exists requires large contributions, interfering with the growth of capital and with the free employment of both capital and labour.

IX. That with the further increase of capital man is enabled to obtain from inferior soils increased means of subsistence, and population becomes more dense—the demand upon the product of labour for the construction of court-houses and prisons having been satisfied, no further contributions are required therefor, and the *proportion* of the proceeds of labour required for the maintenance of government is still further diminished—the necessity for interference with the free application of labour and capital is also diminished—churches and school-houses are now erected

with the labour formerly required for court-houses and prisons—morals are improved and habits of order and regularity become universal—producing a constant decrease in the proportion of the labour of the community required for the maintenance of perfect security of person and property.

X. That thus with the extension of cultivation over inferior soils, *constantly increasing security may be obtained with a constantly diminishing necessity for interfering with the perfect enjoyment of the rights of person and of property.*

XI. That, consequently, as cultivation is extended, the labourer has it in his power to retain a constantly increasing proportion of the fruits of his labour, and has, therefore, the strongest inducements to exertion. He becomes industrious, because he feels that every new exertion must be attended with increased enjoyment, and must facilitate the growth of his capital. He is thus enabled to obtain those aids to labour which diminish its severity while rendering it more productive. He has horses and ploughs, horse-rakes and threshing-machines, steam-engines, rail-roads, and canals, and his productive powers are daily increased. He obtains a *constantly increasing supply* of the *necessaries* of life *from a constantly diminishing surface*, and in return for a *constantly diminishing proportion* of his labour, giving him a *constantly increasing proportion* to devote to the preparation of clothing, houses, and all other *conveniences and comforts* of life.

If we now trace the progress of some of the principal nations of the earth, we shall find experience to confirm what theory would thus teach us to be true. In France, for several centuries past, there has been a general tendency to increase of security, obtained at the cost of a constantly diminishing proportion of the proceeds of labour. In England, from the days of the Heptarchy to the present time, we find the same result. In the United States we find it again. If we examine the States separately, passing from Arkansas, with a population of one to a square mile, to Massachusetts, with eighty-one to a mile, we shall find that with the increased density of population there is a constantly increasing security obtained by the contribution of a constantly decreasing proportion of the product of labour, and with a constantly decreasing necessity for interference with the free employment of labour and

capital.\* In all, with the increase of population, there has been an increase of the power of producing those commodities which constitute wealth, but *when we come to compare the various countries one with another*, we find remarkable differences. We find labour in the United States, with a population of 15 to a square mile, more productive of the necessities and comforts of life than that of England and Wales, with nearly 250 to a square mile, and that of Scotland with 80, more productive than that of France with 160, of Ireland with 250, or Bengal with above 300 to a square mile; whereas, according to the doctrine we have offered for consideration, we should find in India the highest degree of security, accompanied with great productiveness of labour, and requiring the contribution of a very small *proportion* of the product for its maintenance, and in the United States we should find but moderate security, accompanied with moderate productive power, and requiring a large *proportion* of the product for the support of government.

We have abundant evidence that the labour of England is now much more productive than it was at the time when her population was only 160 to a square mile, and still more productive than it was when it was but 80. We have also every reason to believe that it will be much more productive when it shall have risen to 300 than it now is. If so, why is not that of India now as productive as that of England will be at that time? The poverty of India is sometimes attributed to over population; but it must be obvious that if 300 per mile be not too much in one place it cannot be too much in another where the soil is more productive and yields more freely in return to labour.

The poverty of France is frequently attributed to over population, yet it is less dense than that of England. The latter has steadily improved as she has risen from 160 to 250, and there is

\* Population, per mile, of the several States of the Union, according to the census of 1830:

Maine,	12;	Delaware,	36;	Tennessee,	15;
New Hampshire,	28;	Maryland,	30;	Mississippi,	3;
Massachusetts,	81;	Virginia,	18;	Louisiana,	4;
Vermont,	27;	North Carolina,	15;	Alabama,	6;
Rhode Island,	73;	South Carolina,	18;	Michigan,	2;
Connecticut,	62;	Georgia,	8;	Missouri,	2;
New York,	42;	Ohio,	21;	Arkansas,	1;
New Jersey,	44;	Indiana,	10;	Illinois,	3;
Pennsylvania,	30;	Kentucky,	17;		

no reason to doubt that France will do the same. The people of Scotland, however, live better than those of France, although more widely scattered. If France is to improve as the population increases, she ought to have arrived, at the present time, at a point of comfort much greater than that of Scotland.

It is usual to attribute the productiveness of the labour of the United States to the fact that its limited population is widely scattered over an extensive surface. We have, however, shown that as population becomes more dense labour becomes more productive, and a diminished *proportion* is required for the maintenance of government. Such being the case, the labour of Scotland should be more productive than that of the United States; that of France and England still more so; and that of India most so. A glance over the world presents us the most opposite results in different stages of population; thus, in England, we find a dense population, and great productiveness of labour; in India, a more dense population, and labour unproductive. In the United States we have a scattered population and labour highly productive; in South America population still more scattered, and labour unproductive. If abundance of land were sufficient to ensure prosperity, the people of South America should be the most prosperous of all, and the people of England should be among the least so. We may, however, appeal to the experience of all Europe and America for evidence, that as population becomes more dense, security becomes more complete, and labour becomes more productive. Such being the case in each nation, considered by itself, we should find the same result in passing from one nation to another, were it not that causes have operated in one nation from which others have been exempt.

We propose now to examine into the policy of some of those nations, with a view to ascertain how far it has tended to secure to the people the enjoyment of the requisites for production—how far it has tended to give them security, without interference with the right to be free in action, and free in the exchange of their products—to promote or to repress industry—to promote or to lessen the growth of capital. Having done this, we shall then examine what is the product of those nations, and ascertain how far the enjoyment or the deprivation of these advantages has tended to promote or prevent that increase of

the power of production which theory would induce us to expect with the increased density of population.

We shall then, perhaps, be able to ascertain why the people of Great Britain, with a dense population, can obtain larger wages than those of Russia, where only the most fertile soils require to be cultivated; why the scattered population of the banks of the Ohio, obtain larger returns to their labour than the dense population of France; why the people on the shores of the Delaware or the Hudson, obtain the highest compensation, while those on the shores of the magnificent Ganges are compelled to be satisfied with a handful of rice; why it is that bodies of men labouring under the disadvantage of a sterile soil and severe climate, like those of New England, leave behind them in the race those who enjoy the fine climate and fruitful soil of Brazil and India: what it is, in short, that enables man to triumph over the obstacles which threaten to prevent him from obtaining comfort in return for labour.

In adopting this course we follow that marked out by an eminent writer, who says of the political economist, that,

“He should mark the changes which have taken place in the fortunes and condition of the human race in different regions and ages of the world: he should trace the rise, progress, and decline of industry: and, above all, he should carefully analyze and compare the effects of different institutions and regulations, and discriminate the various circumstances, wherein an advancing and declining society differ from each other. These investigations, by disclosing the real causes of national opulence and refinement, furnish the economist with the means of giving a satisfactory solution of all the important problems in the science of wealth; and of devising a scheme of public administration calculated to ensure the continued advancement of society.”\*

\* M'Culloch, Principles of Political Economy, p. 24.

## CHAPTER II.

SECURITY OF PERSON.—ENGLAND.—THE UNITED STATES.—  
FRANCE.—INDIA.

IN the inquiry which we now propose to make into the policy of England, the United States, France, and India, our object is to compare each with the other, as regards the enjoyment of security of person and of property, the great objects for the promotion of which government was instituted. We do not propose to compare them with any ideal standard of perfection, as, if we did so, it might be necessary to show that where security is most complete, it is still far from perfect.\* If it can be shown that where it is most so, there production is greatest, and that in proportion as it diminishes the productive power also diminishes, it will be obvious to those who now enjoy it in the greatest degree, that every step tending to its increase must equally tend to the increase of production, and they may thus be induced to adopt the measures necessary for that purpose.

It is proper here to observe, that as we wish to show the causes of the existing state of things, it is necessary to look at the past policy of those nations rather than at their present course; thus, in India, we must examine the transactions of the last century, and show the causes of the absence of capital, rather than at the present somewhat improved administration, which will tend to increase it for the use of the next generation; and in England, we must examine the old system of poor laws, which has aided in producing the present state of affairs, rather than the new system, which tends to produce future improvement.

The beneficial effects of security, as it has existed in Great

\* In a letter from Turgot to Dr. Price, he asks, "Is it because you are less ill than others, that you have turned your attention to persuading yourselves that you are well?"—*Œuvres de Turgot*, t. IX. p. 378. To assert that in any country the system established is that which would most tend to enable man to apply his powers advantageously to the production of commodities, and consequently to the improvement of his condition, would be to commit the error indicated by M. Turgot.

Britain and the United States, are well described by Mr. M'Culloch, in the following passage.

“The immediate cause of the rapid increase and vast amount of the commerce of Great Britain, is doubtless to be found in the extraordinary extension of our manufactures during the last half century. To inquire into the various circumstances that have contributed to the astonishing development of the powers and resources of industry, that has been witnessed in this country since Arkwright and Watt began their memorable career, would be alike inconsistent with our object and limits. There can be no question, however, that *freedom* and *security*—freedom to engage in every employment, and to pursue our own interest in our own way, coupled with an intimate conviction that acquisitions, when made, might be securely enjoyed or disposed of—have been the most copious sources of our wealth and power. There have only been two countries, Holland and the United States, which have, in these respects, been placed under nearly similar circumstances as England: and, notwithstanding the disadvantages of their situation, the Dutch have long been, and still continue to be the most industrious and opulent people of the continent—while the Americans, whose situation is more favourable, are advancing in the career of improvement with a rapidity hitherto unknown. In Great Britain we have been exempted for a lengthened period from foreign aggression and intestine commotion; the pernicious influence of the feudal system has long been at an end; the same equal burdens have been laid on all classes; we have enjoyed the advantage of liberal institutions, without any material alloy of popular licentiousness or violence; our intercourse with foreign states has, indeed, been subjected to many vexations and oppressive regulations; but full scope has been given to the competition of the home producers; and, on the whole, the natural order of things has been less disturbed amongst us by artificial restraints, than in most other countries. But without security, no degree of freedom could have been of any material importance. Happily, however, every man has felt satisfied, not only of the temporary, but of the *permanent* tranquillity of the country, and the stability of its institutions. The plans and combinations of the capitalists have not been affected by any misgivings as to what might take place in future.

“Moneyed fortunes have not been amassed, because they might be more easily sent abroad in periods of confusion and disorder; but all individuals have unhesitatingly engaged, whenever an opportunity offered, in undertakings of which a remote posterity was alone to reap the benefit. No one can look at the immense sums expended upon the permanent improvement of the land, on docks, warehouses, canals, &c., or to reflect for a moment on the settlement of property in



the funds, and the extent of our system of life insurance, without being impressed with a deep sense of the vast importance of that confidence which the public have placed in the security of property, and, consequently, in the endurance of the present order of things, and the good faith of government. Had this confidence been imperfect, industry and invention would have been paralyzed; and much of that capital, which clothes and feeds the industrious classes, would never have existed. The maintenance of this security entire, both in fact and in opinion, is essential to the public welfare. If it be anywise impaired, the colossal fabric of our prosperity will crumble into dust; and the commerce of London, like that of Carthage, Palmyra, and Venice, will, at not a very remote period, be famous only in history. It is, therefore, of the utmost consequence, that in introducing the changes which the wants and altered circumstances of society require should be made in the frame of our polity, nothing be done to impair, but every thing to strengthen that confidence and security to which we are mainly indebted for the high and conspicuous place we have long occupied among the nations of the earth.”\*

Although the views here offered are generally correct, yet security has not been perfect in either country, as we shall show. It must, however, be borne in mind that there are no countries in which any occurrence tending to interfere with the rights of person or property, becomes so immediately known as in those of which we now treat. Thousands of persons might perish in Russia or in Turkey, without the knowledge of those who lived at a distance of a few hundred miles, while no disturbance, however trivial, in England or in the United States, can be concealed.† The local newspapers, desirous of giving interest to their co-

\* McCulloch, Dictionary of Commerce.

† “It should be observed, also, that in large towns, and in populous districts intersected by roads, which furnish a rapid conveyance of intelligence from place to place, and where newspapers are in constant use, much more in proportion is *known* of every enormity that is perpetrated than in remote country districts, thinly peopled, where there is less facility of mutual communication, and where their natural appetite for news is compelled to limit itself to the gossip of the nearest hamlet. Much *apparent* increase of crime, (I will not undertake to say how much,) consists, I am convinced, in the increase of newspapers; for crimes, *especially* (be it observed,) such as are the most remote from the experience of each individual, and therefore strike him as something *strange*, always furnish interesting articles of intelligence. I have no doubt that a single murder in Great Britain has often furnished matter for discourse to more than twenty times as many persons as any twenty such murders would in Turkey. *We should remember, that there are not more particles of dust in the sunbeam than in any other part of the room, though we see them more where the light is stronger.*”—*Whateley's Lectures*, p. 197.

lums, give all that occurs, and generally colour it as strongly as is necessary for that purpose.\*

We have already shown† the extreme insecurity that existed in England in the time of Henry VIII. and Elizabeth. At that time, population was small and the inferior soils only were cultivated; the means of subsistence were obtained with difficulty; the country abounded with "sturdy rogues," upon whom the magistrates dared not inflict punishment. With the extension of cultivation over the inferior soils security increased, yet during a large portion of the last century highway robbers abounded, and neither the persons nor property of travellers were secure. Even in the immediate vicinity of London, persons returning to town from their Sunday excursions, deemed it necessary to travel in large parties, that they might escape being robbed and maltreated. Within the last fifty years, there has been a rapid extension of cultivation—a rapid increase of population—and a great increase of security.

The whole number of persons convicted in 1834, for offences *against the person*, subjecting them to the punishments of death, transportation, or imprisonment for terms *exceeding* one year, was 207,‡ being one in every 70,000 of the population of England and Wales. In the reign of Henry VIII. *one in 2000 was hanged annually.*

\* The author was present at the arrest of a slave, in a small country town, two years since, when the circumstances attending it were calculated to produce considerable excitement. The conduct of the people, accustomed to defer to the laws, was such as excited his admiration, yet, on the next day, he read a very detailed account of the riot that had taken place. He had been present, but the riot escaped his observation.

† Part I. p. 63.

‡ The offences were as follows—

"Murder,	13
"Shooting, stabbing, administration of poison, with intent to murder,	65
"Manslaughter,	15
"Attempt to procure miscarriage,	3
"Concealing the birth of infants,	5
"Sodomy, and assaults with intent to commit the same,	33
"Rape, and assaults with intent to commit the same,	33
"Abduction,	1
"Bigamy,	7
"Child stealing,	4
"Assaults,	28

In the territory of the United States may be found almost every stage of society. In the country bordering on Mexico, and occupied by savages, there is no law known but that of force. Passing thence towards the east, we find in the Southern States the labouring classes in a state of slavery. In Arkansas, Missouri, and Mississippi, with a population respectively of 1, 2, and 3 to a square mile, a large proportion of which consists of slaves, the white man, far removed from courts, and judges, and officers of justice, goes always armed; he is prepared for offence or defence, and altercation terminates in combat, of which death is frequently the consequence.\* The *habit* of deferring to the law exists in but a small degree. If individuals are injured they desire to redress themselves. If the community feel aggrieved, they resort to that barbarous mode of executing justice termed Lynch law. Passing eastward, we find in Tennessee 15, and in Kentucky 17 to a mile. In both, thirty years since, Lynch law was fully established, but the habit of obedience to the law has grown with the increased density of the population. In Virginia, North Carolina, and South Carolina, we find a more advanced stage of society, attended with constantly increasing security.

In the north-west we find a different state of things. The absence of slavery frees the settler of Michigan and Illinois, from the necessity for carrying arms. Rencontres are more rare. The habit of obedience to the law more readily obtains. Passing thence to the eastward, through Indiana, Ohio, Pennsylvania, and New York, to Massachusetts, we find at each step population more dense, with a constant increase of security.

From 1820 to 1830, the whole number of persons sentenced,

\* "As we descend towards the south, to those States in which the constitution of society is more modern and less strong, where instruction is less general, and where the principles of morality, of religion, and of liberty, are less happily combined, we perceive that the talents and virtues of those who are in authority become more and more rare. Lastly, when we arrive at the new south-western States, in which the constitution of society dates from but yesterday, and presents an agglomeration of adventurers and speculators, we are amazed at the persons who are invested with authority, and we are led to ask by what force, independent of the legislation and of the men who direct it, the State can be protected, and society be made to flourish."—*De Tocqueville, Vol. II. p. 53.*

The murder of a member of the Legislature of Arkansas, by the Speaker of the House, while in session, is a striking illustration of the state of manners existing in new countries, settled by restless spirits who find themselves inconvenienced by the restraints of the law in the older States.

*for crimes of all descriptions*, to one year's imprisonment or more, amounted,

In Maryland, to one in 3,102; In New York, to one in 5,532,\*

Pennsylvania, " 3,968; Massachusetts, " 5,555, showing a constant improvement with the increased density of population. A similar result is found in the State of Massachusetts, as her population increased in density—the number of criminals remaining stationary, while the population was increased one seventh. In New York, a similar result is observed—the criminals having been in the period from 1800 to 1810, one in 4,465, and from 1820 to 1830, one in 5,532. In Maryland, while population increased one eleventh, the number of criminals remained stationary.†

In Pennsylvania and Connecticut, the returns do not indicate a diminution of crime, but in making local inquiries there are almost always local causes of disturbance to be allowed for. Thus, in the latter, the governor states to the legislature, that "although the number of prisoners had increased, there is no evidence of a corresponding increase of crimes"—that since the system of discipline had been changed, "there had been a more thorough execution of the criminal law," &c.‡ To ascertain the general law that security of person and property is increased with the increase of capital, and increased facility of obtaining subsistence from a diminished surface, it is only necessary to cast our eyes over Europe at the present moment, and compare the various nations—or to trace the progress of any one of them for centuries past—and when we find local departures from that law, we may be certain that they are apparent only, or result from local causes.

Of the whole number of crimes, those *against the person* were,

In Massachusetts,	6.36 per cent.
New York,	6.44 "
Pennsylvania,	9.97§ "

\* This includes only those sentenced to two years' imprisonment. Were it, like the other statements, to include those sentenced to between one and two years, New York would occupy a medium place between Pennsylvania and Massachusetts.

† De Beaumont and De Tocqueville on the Penitentiary System of the United States, p. 262.

‡ Quoted, *ibid.* p. 247.

§ *Ibid.* p. 244.

This would give,

In Massachusetts, one such crime to 86,871 persons,	
New York,	85,900*
Pennsylvania,	40,000

Here, with the diminished density of population, we have a constant increase in such crimes, and passing west and south the proportion would continue to rise, as population became more scattered, until the highest point of insecurity should be attained, in the region of the Rocky Mountains.

Comparing Massachusetts with England and Wales, we find in the former 1 in 86,871 sentenced to *one year's imprisonment or more*; whereas, 1 in 70,000 is, in the latter, sentenced to *more than one year*. The number sentenced to *one year or more*, in England, is greater than in Pennsylvania. It is obvious that security is much greater in Massachusetts than in England, and consequently greater than in any other part of the world.

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The members of a community frequently engaged in war with other communities, experience therefrom great insecurity. Liable to capture and imprisonment, the strongest reasons exist for remaining at home, and none will go abroad unless induced thereto by the prospect of realizing larger remuneration than would be deemed necessary in time of peace. Men who would be advantageously employed in exchanging in foreign countries the productions of their friends and neighbours, and would derive therefrom an abundant support, remain at home comparatively unproductively employed. Production is diminished, and the *proportion* required by those who incur the risks of foreign voyages is greatly increased. Such has been the condition of the people of England during about one half of the last one hundred and fifty years.

The United States, on the contrary, have pursued a peaceful course. Since the close of the war which established their independence, they have had a few months of hostilities with France, and a war of thirty months with Great Britain. These, with some disputes with the piratical powers of the coast of Africa, constitute the wars in which they have been engaged, and all of these were purely defensive. During nearly the whole period of the wars of the French Revolution, when almost the whole civilized world was engaged in warfare, they remained

\* The remarks made above attach equally to this statement, which does not contain those sentenced to between one and two years' imprisonment.

at peace, and employed themselves in performing the exchanges for the people of every part of the earth, deriving vast advantage therefrom. Had they been permitted to carry out their peaceful policy, the benefits derived therefrom would have been incalculably greater than they were.

If we consider the United States separately, we find, as population becomes more dense, a constantly increasing security from the evils of war. The people of Massachusetts and Connecticut, in former times, were harrassed by the French and Indians. To them succeeded the people of New York, Pennsylvania, and Virginia; and those of Alabama, Arkansas, and Missouri, the border States, now undergo the same species of disturbance.

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In both countries insecurity is produced by incorrect views of the claims of the community to the services of individuals. Every man is bound to contribute his aid in maintaining peace—in enforcing the laws—and in defending his country; but that aid should be in the ratio of his interest in the maintenance of security. To call upon an individual of large fortune for a certain number of days of service in the militia, for which he may compound by the payment of a fine, is to require a contribution of the smallest kind, while a similar demand upon an individual with a wife and family dependent upon his daily labour for their daily bread, is a heavy tax. To the former the payment of the fine is but the ten thousandth part of his income, while to the latter it may be a tax of two per cent. upon his earnings for the year. Were private rights properly appreciated by those who are intrusted with the government, it would be seen that the community could have no claim upon an individual for his services without proper compensation therefor, and that if men were to be required to bear arms, they should be paid for the time so occupied, and not obliged to sacrifice for the benefit of others the convenience and comfort of themselves and their families. Were they so paid, each member of the community would contribute in the ratio of his interest in the preservation of order and tranquillity.

In the United States, this grievance has been but slightly felt, in consequence of the peaceful course that has been pursued. In England, large bodies of militia were kept on foot for many years, at heavy cost to the individuals who were obliged to serve. In both countries the system of voluntary enlistments

for the military service is pursued, the effect of which is to increase the cost of making war, the most certain means of securing the continuance of peace. For the naval service the policy of the two countries is different. The United States do not admit of conscription or impressment, and every person who serves on board of their ships is a volunteer. The ships of England, on the contrary, are during war filled with men torn from their wives and families,\* who may be left dependent upon the poor rates for support, because the government will not pay the same wages that may be obtained in the merchant service.† If we examine the history of the late war, we find the wealthy capitalist *lending* his property to the government, on condition of being paid interest for its use, while the poor sailor was knocked down in the streets of London or Liverpool, or taken from the deck of a merchantman, and compelled to *give* his services for a most inadequate compensation, while his family was, in many cases, left to starve. The necessary consequence of the system was dissatisfaction on the side of the men, and tyranny on that of the officers, carried to such an extent as would now scarcely be believed,‡ although but thirty years have since elapsed.

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Security of person cannot be deemed complete, when persons are liable to be arrested and put on trial for crimes involving their liberty, or their lives, and are denied the aid of counsel in their defence. Such has been, until recently, the case in England, whereas, in the United States, counsel has always been granted to prisoners.

\* "The father, who has laboured amidst privations and sufferings, in order to earn bread for his family, may be torn from it, or, what is still more cruel, prevented from reaching a home containing all that is dear to him, and be forced on board a ship of war, without a title to redress, or even a right to complaint."—*Wakefield, Public Expenditure*, p. 21.

† "The pay of sailors in the royal navy not being high enough to tempt men to enter the service, the state has proceeded on the principle of helping itself to what it wants, and by royal prerogative sailors are knocked on the head, carried forcibly on board of his Majesty's ships, and compelled to serve for such wages as the state may be pleased to allow them, \* \* \* and the cat-o-nine-tails is the substitute for pay."—*Examiner*.

‡ "Formerly, it was not extraordinary to hear that two vessels had escorted a third out of harbour, because a captain had practised such cruelty towards his crew as to put it out of his power to make them work the ship, except by placing them in fear of being fired into by vessels alongside."—*Wakefield, Public Expenditure*, p. 19.

Great insecurity results, in some cases, from a misconception of rights and duties. Every member of a community claims for himself the *right* of fixing the value of his own labour, but while doing so, many are disposed to forget that it is accompanied by the *duty* of permitting all others to exercise the same right for themselves. Labourers have an unquestionable right to combine for the purpose of raising their wages, and if they confined themselves to the assertion of their own claims there could be no possible objection thereto; but, unfortunately, such associations, while asserting their own rights, generally forget those of others, and compel men who are fully satisfied with their wages to quit work, on pain of being excluded from all fellowship.

In the United States, such combinations have existed at various times, but to a small extent compared with England. In the former they have rarely produced acts of violence, and they have never been of a character to entitle them to much consideration. A reason for this is to be found in the fact that the demand for labour is generally so great, that men do not remain long in the town in which a strike has taken place, and there is not the same opportunity for the production of irritation leading to violence.

In England, disturbances of a very serious character have resulted from this unfortunate misconception of rights and duties.

"Acts of singular atrocity," says Dr. Ure,\* "have been committed, sometimes with weapons fit only for demons to wield, such as the corrosive oil of vitriol dashed in the faces of the most meritorious individuals, with the effect of disfiguring their persons, and burning their eyes out of the sockets with the most dreadful agony."

In other places, it has been necessary to garrison houses and mills, and the persons and property of their owners were in imminent danger of destruction.† Populous districts have been for

\* *Philosophy of Manufactures*, p. 283.

† "The demonstrations of vengeance, carried into effect in some instances, have at times forced the masters to arm themselves—to garrison their houses and mills, and have placed a whole district in a state of siege, with all the disorganization of social ties incident to civil warfare. No man was safe—no family secure from midnight disturbance; shots were fired into the rooms where it was believed the master had his resting place. By day, he had to use every precaution to avoid falling into the hands of an infuriated mob—his family reviled, hooted, and hissed wherever opportunity offered; no wonder that feelings of bitterness were roused against those who thus wantonly violated all the forms of decency and justice."—*Gaskill, Artisans and Machinery*, p. 280.



years in a state of confusion and excitement.\* In others,† it has been scarcely possible for decent people to walk the streets. Assassinations have taken place on several occasions.‡ Such proceedings are destructive of the true interest of those concerned; they lessen the power of production, and diminish the *proportion* of the product retained by the labourer.

In both countries security is affected by the existence of privileges confined to certain classes. Thus, in England, the desire to preserve game for the use of those classes, has led to the passage of laws which forbid the farmer from killing or selling that which fattens upon his land. It leads to the formation of preserves, guarded by spring-guns and man-traps, in which the innocent are as liable to be taken as the guilty. The gamekeepers go armed, and rencontres, resulting in death, are of not unfrequent occurrence.§

In the southern States of the Union, the existence of slavery produces effects precisely similar. The proprietors will not brook interference with their rights, and death has, in several instances, resulted from the attempt having been made. These occurrences have, however, been almost altogether confined to the new States of Mississippi, Alabama, &c., in which population is widely scattered, and in which the habit of submission to the law has scarcely yet obtained.

\* "At no period during the last seven years, has the district (Manchester) been without the confusion and excitement of turn-outs, caused by these associations."—*Wade, Middle and Working Classes*, p. 276.

† "Our streets (those of Amersham,) at night used to be in a state of great disorder. As a constable, for two years I was constantly three or four times a week out of bed to quell disturbances. *Decent people could scarcely pass through the streets after dark.*"—*First Annual Report of Poor Law Commissioners*, p. 276.

‡ "It transpired on the trial that the prisoners had no personal ill-will to Mr. Ashton, but had undertaken his assassination in consideration of receiving £3 6s. 8d. each—ten pounds in the whole—from the Trades' Union, to which Mr. Ashton had become obnoxious."—*Companion to the Newspaper*, Vol. II. p. 191.

§ "A more ferocious system of hostility has prevailed in many game preserving districts, between squire and clown, landlord and labourer, than is acted in open war, by any civilized belligerents.

"The poacher is led to offend by a powerful temptation, and driven to desperate resistance by the dread of the consequences in the event of apprehension; his violence begets violence again on the other side; or each, anticipating it in the other, resorts to it before the occasion arises, and thus the parties spring at each others throats, in the manner of animals prompted to a mad conflict by natural antipathy."—*Fonblanque, England under Seven Administrations*, Vol. I. p. 123.

In both countries, when outrages have been committed in defence of the property thus recognised by law, it is exceedingly difficult to cause punishment to follow the offence. In England, the nomination of the magistrates has always been in the hands of the aristocracy\*—the preservers of game—and in the southern States, it rests with the aristocracy, who are the owners of slaves. In neither case is there much disposition to punish those who have executed summary justice.

Freedom of action has never been interfered with in the United States.† Every man may travel from north to south, from east to west, without a passport, and without visiting police offices, as required on the continent of Europe, and without consulting overseers of the poor, as has until recently been required by the poor laws of England. There are no apprentice laws, and a man may change his trade as often as he thinks proper.‡ There are no corporations possessing exclusive privileges, so that he may exercise any trade in any place that he thinks likely to yield him a proper return for his exertions.§

\* In an advertisement of the sale of a crown estate, by order of the Commissioners of Woods and Forests, we find the following:

"The owner of this manor and lordship (Havering atte Bower,) *has the sole nomination and appointment of two of the magistrates*, the tenants within the manor and lordship appointing the third, *who exercise an exclusive jurisdiction, the magistrates for the county at large being prohibited from acting within this lordship.*"—*Fonblanque, I. p. 192.*

† We exclude from consideration here the question of slavery, proposing to notice it fully on a future occasion.

‡ In many of the States, taxes have been most unwisely imposed upon those *avant courriers* of civilization—the pedlers. In some cities and towns, laws are enforced against hucksters. These are the remains of old modes of thinking, that will, it is to be hoped, soon pass away.

§ "No cause has, perhaps, more promoted, in every respect, the general improvement of the United States, than the absence of those systems of internal restriction and monopoly which continue to disfigure the state of society in other countries. No laws exist here, directly or indirectly confining men to a particular occupation or place, or excluding any citizen from any branch he may, at any time, think proper to pursue. Industry is, in every respect, free and unfettered; every species of trade, commerce, and professions, and manufacture, being equally open to all, *without requiring any regular apprenticeship, admission, or license.* Hence the improvement of America has led not only to the improvement of her agriculture, and to the rapid formation and settlement of new States in the wilderness; but her citizens have extended their commerce to every part of the globe, and carry on with complete success even those branches for which a monopoly had heretofore been considered essentially necessary."—*Gallatin.*

"If he be a subject in all that concerns the mutual relations of citizens, he is

In England, on the contrary, a constant strife has existed as to the right of settlement, and immense sums have been squandered in law proceedings, to determine whether parish No. 1 or No. 2 should support the unfortunate pauper; and even when a demand for labour existed,\* so much apprehension has there been of permitting a settlement to be gained, that it has been customary to limit engagements to eleven months, in order that, before the expiration of the year, the man might be returned to his parish to take up a new departure in quest of employment. Uncertain of obtaining the means of subsistence elsewhere, and certain of support out of the poor rates at home, the indolent had every inducement to remain, even when there existed a reasonable prospect of employment abroad.†

In some cases corporate privileges prevent him from exercising his trade, or calling, in a particular place, without the pay-

free and responsible to God alone for all that concerns himself. Hence arises the maxim that every one is the best and sole judge of his own private interest, and that society has no right to control a man's actions, unless they are prejudicial to the common weal, or unless the common weal demands his co-operation. This doctrine is universally admitted in the United States."—*De Tocqueville, Vol. I. p. 80.*

\* "The enterprising man who has fled from the tyranny and pauperism of his parish, to some place where there is a demand and a reward for his services, is driven from a situation which suits him, and an employer to whom he is attached, by a labour rate, or some other device against non-parishioners, and forced back to his settlement to receive as alms a portion only of what he was earning by his own exertions. He is driven from a place where he was earning, as a free labourer, 12s. or 14s. a week, and is offered road work as a pauper at 6d. a day, or perhaps to be put up by the parish authorities at auction, and sold to the farmer who will take him at the lowest allowance."—*Report of Poor Law Commissioners, p. 86.*

"The Rev. R. R. Bailey, chaplain to the Tower, who has had extensive opportunities of observing the operation of the poor laws in the rural districts, states: 'I consider that the present law of settlement renders the peasant, to all intents and purposes, a bondsman! he is chained to the soil by the operation of the system. Very frequent instances have occurred to me of one parish being full of labourers, and suffering greatly from want of employment, whilst in another adjacent parish, there is a demand for labour. I have no doubt that if the labourers were freed from their present trammels, there would be such a circulation of labour as would relieve the agricultural districts.'"—*Mr. Chadwick's Report.*

† "If higher wages were offered from a distant parish to the labourers in your parish than they now get there, do you not think they would move out of it?—No, I am quite sure they would not, because, in addition to the usual parish relief, they have a very large charity there: it is some lands bequeathed in Edward the Sixth's time, for the repairs of the church, the roads, and the use of the poor. We expend that portion with relation to the poor in clothing, and coals, and rents,

ment of a heavy fine.\* In others, the mode in which the business shall be performed is restricted,† while in others, the construction of the machine to be used is the subject of regulation.‡

In other cases, the quantity of time to be devoted to labour has been restricted, and thus laws have been repeatedly passed fixing the hours of employment, under the title of "Factory Regulation Bills," justly characterized by Dr. Ure as "an act of despotism towards the trade, and of mock philanthropy towards the work-people who depend upon trade for support." At the present time efforts are being made to obtain the passage of a law limiting all factories to ten hours, the workmen believing most absurdly that they can earn as much by ten hours' labour as they now do by that of twelve.§ They have, most

and some in educating their children. At times it occasions desperate swearing to get settlements in the parish, and at all times it is a very great hinderance to people going out of the parish. I do not blame them for remaining in the parish, and sticking to their settlements; I should do so myself, if I were in their place."

\* "The toll paid upon every non-freeman's car entering the city at Holborn bridge, and the other city bars, is 2d. each time. For liberty to ply for hire in the city, it is necessary to obtain a license from Christ's Hospital, and to belong to the Carmens' Company. Within the last few days, (February, 1836,) the following iniquitous charges have been wrung from John Sumption, a poor carman:—

"License from Christ's Hospital,	-	-	-	£ 6	6	0
Do. annual fee,	-	-	-	17	4	
"Freedom of the city £5, with fees to the officer of the court						
£ 9 11s.,	-	-	-	14	11	0
"Freedom of the Carmens' Company,	-	-	-	31	9	8
				£ 53	4	0

† "At the Thames police office on Wednesday, the captain of the steamboat Adelaide, which has recently been running between Hungerford market and Greenwich, for the conveyance of passengers, to the great injury and annoyance of the Thames watermen, was fined £5, under a law of the Watermens' Company, for acting as master of the steamboat, without being duly approved and licensed by the Watermens' Company. It is further understood that this verdict will go to put a stop to any further steam conveyance to Greenwich, as it is the intention of the Watermens' Company not to grant a license to any steamboat which shall only run to Greenwich."—*Westminster Review*, July, 1834.

‡ "The insecurity of the wherries that ply for hire on the Thames is notorious; yet if a waterman wish to build a safe boat he is compelled to petition the Navigation Committee to be allowed so great a privilege."—*London Review*, No. V. p. 79.

§ At a meeting of the working men and their friends, held November 25, 1833,

unquestionably, a right to limit their own hours, but not content therewith they are anxious to compel others to do the same.\*

Until recently no man could exercise a trade or calling who had not served an apprenticeship of seven years, and so strictly was the statute construed, that

"It was adjudged that a coachmaker could neither himself make, nor employ a journeyman to make his coach wheels, but must buy them of a master wheelwright, this latter trade having been exercised in England before the passage of that statute. But a wheelwright, though he had never served an apprenticeship to a coachmaker, might either make himself, or employ a journeyman to make coaches, the trade of a coachmaker not being within the statute, because not exercised in England when it was passed."†

If an individual desire to be a seller or retailer of beer; a dealer in tea, in coffee, a soap maker, a starch maker, &c., he must pay for permission. If he desire to learn a trade, the law imposes a tax upon him, in the form of a stamp upon his indenture. If he wish to be a lawyer he must pay £100 for the privilege.

In the United States, in a few cases, similar restrictions still exist. Tavern-keepers are compelled to pay for permission to exercise their calling, and no man can be an auctioneer without a license. In some States private banking is even *prohibited*!

Freedom of thought and of discussion is highly promotive of the power of production. The man who is conscious of *the right* to think and act freely, is a superior being to him who

it was resolved to form a society to endeavour "to assist the working classes to obtain for eight hours' work, the present full day's wages." The parties forgot that wages are to be estimated by the quantity of commodities they will command, and that if they worked only eight hours instead of twelve, they could produce only two thirds as much. *Every diminution of production, whether resulting from diminution in the hours of labour, or from any other cause, is attended by a diminution in the proportion retained by the labourer. He has a diminished share of a diminished quantity, whereas with increased application he would obtain an increased proportion of an increased quantity.*

\* Mr. Cowell states,† that the proprietors of new and improved machinery advocated the reduction of the time, because those who owned old machinery could only compete with them by running their mills a greater number of hours. A limitation of the time of running their mills would have compelled the latter to stop work altogether.

† M'Culloch, Principles, p. 370.

† Preface to Factory Tables, p. 119.

feels that he is liable to punishment for entertaining or expressing opinions different from those of his fellow men. It is impossible to restrain the action of the mind without injurious effect upon the character.

Every individual in every community would desire to enjoy perfect freedom in this respect, and when one portion of society undertakes to prescribe what shall be the opinions entertained or expressed, and to punish those who hold or publish those of a different character, security of person cannot be deemed complete.

In England the holding of certain opinions in matters of religion has been punished with inability to hold office. Dissenters were, until recently, excluded from the government of corporations. Roman Catholics were excluded in like manner, and were also forbidden to sit in parliament. Jews are so at the present time, notwithstanding numerous attempts at an alteration of the law.

By the Constitution of the United States, every man is equally eligible to office, be his opinions in matters of religion what they may.\* Such is likewise the case in most of the States, but in a very few a belief in the Christian religion is rendered necessary, and thus the Jew is punished for entertaining opinions held by the majority to be heretical. It cannot, however, be doubted that such limitations will be speedily abolished.

The free expression of opinion in relation to matters of public interest is indispensable to security. Whenever, by any error of legislation or of administration, any number of men feel themselves aggrieved, it is indispensable that they should enjoy the right of stating their grievances, with a view to their correction. Where this is the case there is a constant tendency to the correction of error and to the maintenance of

\* The following list of persons holding office will show how little regard is had for difference of opinion in matters of religion.

Andrew Jackson,	Late President of United States,	Presbyterian.
Martin Van Buren,	President,	Baptist.
Roger B. Taney,	Chief Justice,	R. Catholic.
Joseph Story,	Associate Justice,	Unitarian.
John M'Lean,	do.	Methodist.
William L. Marcy,	Governor of New York,	Baptist.
John C. Calhoun,	United States Senator,	Episcopalian.
Daniel Webster,	do. do.	Unitarian.
Henry Clay,	do. do.	Baptist.

security; where it is otherwise, grievances are liable to accumulate to an extent that may lead to revolution, by which security is destroyed. The mode in which this has usually been done in England and the United States has been through the medium of the press; by public meetings; and by the election of representatives.

In England the press has been restrained in its publication by prosecutions, and in its circulation by heavy stamp duties on newspapers and pamphlets. In the United States it has been in all respects free.\*

In England, when men have met to state their grievances, they have been attacked by the military, and hundreds have been killed or wounded.† The people have been prohibited from holding meetings, even for the purpose of petition, unless authorized by magistrates, holding their offices at the will of the government. Offences that could be construed into sedition have been made liable to transportation, and the defendant has been deprived of the liberty to traverse his indictment.

In the United States the right of meeting for the discussion of grievances exists to the fullest extent, and cannot legally be questioned or interfered with. Nevertheless there have been interferences with the freedom of discussion in regard to a question of considerable importance—slavery. Intemperance on one side has produced intemperance on the other, and men who have endeavoured to promote interference with the rights of *property* have experienced interferences with their own rights of *person*. In Boston, New York, and other places, there have been scenes that have been highly disgraceful, and in the south-western States there have occurred, in consequence of the disposition to interfere with the rights of others, several instances of murder, under the name of Lynch law.

That resort should thus be had to mob law for the suppression of discussion in the United States, arises from the fact that no legislation can be obtained preventing unlimited freedom of

\* "In America there is scarcely a hamlet which has not its own newspaper. It may readily be imagined that neither discipline nor unity of design can be communicated to so multifarious a host, and each one is consequently left to fight under his own standard."—*De Tocqueville, Vol. II. p. 24.*

"It cannot be denied that the effects of this extreme license of the press tend directly to the maintenance of public order."—*Ibid. p. 25.*

† Manchester, 1814.

speech and of publication. In England, discourses or publications tending to interference with the established order of things, have been denominated seditious, and subjected to punishment, and thus Muir was transported for lending a copy of the Rights of Man. Tooke, Thelwall, and others, were charged with sedition, and narrowly escaped punishment for advocating changes such as have since taken place with consent of king, lords, and commons. Cobbett was punished by a heavy fine and a long imprisonment for his remarks in relation to the punishment of some militia men. Were it possible for the planters to obtain the passage of laws limiting the right of discussion, there would be neither mobs nor Lynch law.

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In England the right of selecting men who shall represent fairly the views of the people is fully recognised by law, yet it has no practical existence. The dependence of the voters upon the higher orders is, in numerous cases, so great, that they are compelled to vote as they are directed, or are liable to be deprived of the means of support. They are not even permitted to vote by ballot, and thus the employer has always the means of ascertaining if his men vote as they are ordered. The *right* thus to dictate to them has been, on repeated occasions, asserted in the strongest terms, but its existence is totally inconsistent with security to the voter.

In the United States the attempt at this species of dictation has always failed. The voters are sufficiently independent to render it impossible to compel them, by any threats, to act in opposition to their inclinations, and the use of the ballot renders it impossible to ascertain on what side an individual has voted, if he desire to conceal it. There is, however, no concealment affected, and the employer may, and often does find that the majority of those in his employment give their suffrages in direct opposition to his wishes. To attempt to punish them for so doing would be absurd, where the parties discharged could have immediate employment elsewhere, as is generally the case.

In nothing is the difference between England and the United States greater than in the conduct of elections. In the latter they are generally conducted with an order that is remarkable.\* It is true that some cases have occurred in which they have

\* "Nearly 36,000 electors have exercised their rights without tumult, although



been attended by riots and tumult\* but they are very rare; whereas, in England, they are of frequent occurrence.†

We have already shown‡ the condition of the labouring classes in France, at the close of the fifteenth century. They were then held to be "*taillable et corvéable a merci et a miséricorde*"—to be, in fact, the hewers of wood and drawers of water for their masters. Slavery continued in many of the provinces until the revolution. The slaves were attached to the soil, and if they escaped from it were restored by the interference of the tribunals to their owners, to whom their persons and those of their posterity belonged. They were incapable of transmitting property, and the proprietors "had forced the reluctant tribunals of the king to deliver into their hands the property of deceased citizens who had been long settled as respectable inhabitants in different towns of France, some even in Paris itself; but who were proved to have been originally serfs on the estates of the claimants.

both parties were greatly excited. The merit of this conduct belongs to the whole population. The municipal authorities had, it is true, taken extraordinary measures for the preservation of the public peace, but that which is extraordinary here, is far removed from that which would, in Europe, scarcely be deemed ordinary precaution. If, in the United States, the people abstain from disorder, it is because they are so disposed. If they preserve order, it is because they love it. Three hundred constables, more or less, in a city of 260,000 people, could accomplish little towards it."—*Chevalier, t. I. p. 275.*

\* A few weeks previously to the election in New York, above referred to by M. Chevalier, a riot had taken place at the election held in Philadelphia, which resulted in the destruction of several houses by fire.

† "The losing party, then, finding their case hopeless, began a scene of intimidation and violence that beggared description. Electors were dragged out of their houses, people flocked into the town, and at half past three there were at least 20,000 persons around the booths, and assailing different dwellings."—*Huddersfield Election, 1837. Examiner, p. 502.*

"A serious riot arose out of the proceedings at this election. Ten individuals were carried away from the neighbourhood of the polling booths, shockingly mutilated. One unfortunate man has since died."—*Salford Election, 1837. Ibid. p. 488.*

"From half past twelve, when Sir George Murray and his friends came on the hustings, till half past two, there was an almost incessant shower of missiles from the crowd, directed against the candidates of whom they disapproved."—*Westminster Election, 1837. Ibid.*

"An attempt was made by two ruffians, near the workhouse, to assassinate Mr. Edward Ellice; and the proceedings at Huddersfield, where Lord Morpeth and Sir G. Strickland addressed the electors of the North Riding, baffle all description. We regret to learn that Lord Morpeth was much injured by a stone."—*Examiner, 1837, p. 487.*

‡ Part I. p. 61.

In an edict issued by Louis XVI., he declares that this state of slavery exists in several of his provinces, and laments that he does not possess the means of ransoming those who are subject to it.\*

That the change should have been so slow when compared with that of England can be attributed only to the unceasing wars, domestic and foreign, in which the nation was engaged, the effects of which still remain.

The traveller through England sees the country dotted over with farm houses and cottages, as is the case in the United States; but crossing the channel and entering France, he is immediately struck with the difference in the landscape. Instead of neat cottages, each with its little piece of land, he sees here and there a village, and finds that is the residence of all the cultivators of the surrounding country. Living here, they are compelled to *walk daily one, or two, or three miles to their patches of land*, and with a view to save expense and trouble of transportation, they occupy that which is nearest, whether fitted or not, for raising their heavy crops, while those of a lighter kind are reserved for the more distant land. A slight knowledge of history, with a little reflection, will satisfy him that this is the result of the insecurity that has prevailed in that country, as well as in most countries of Europe. Exposed at all times to the violence of contending factions; robbed alternately by the soldiers of Valois and of the League; by the Catholic and the Hugonot; the labourer could look for protection only to union with his neighbours, and deemed a residence in a dirty village, with security, preferable to purer air, with the daily risk of being robbed, and perhaps murdered. The injurious effect of this is thus described by Mr. Jacob—

“The residences of the peasants are generally near together, in villages so distant from the extremities of the parish, as to make those extremities very expensive to cultivate. The barns and other buildings are near them; these are, upon a scale regulated by the nature of the climate, much more expensive to construct than in our own, more agreeable, country. At present the lands, divided to each occupier in scattered fragments over the whole common fields, receive crops according to their vicinity to the village, and that part appropriated to wheat, which is manured, is generally near to it. If those

\* Jones on the Distribution of Wealth, p. 89.

lands were parcelled out in separate farms, some allotments must be at a great distance from the village. The shares in such situations might be and in justice should be, comparatively large. The expense of carrying manure, and of bringing the produce to them, would make the houses and erections in the villages, nuisances and incumbrances on the land, rather than beneficial property.”\*

A state of civil warfare almost constantly existing, and the assumption by the king of absolute power over the persons of his subjects, were well calculated to prevent the existence of a feeling of security. To those who desired to limit the exercise of that power, whether judges or ministers, the reply came in the form of an order for their banishment. To those who became obnoxious to the sovereign, to his mistresses, or to their friends, punishment was administered in the form of a *lettre-de-cachet*, by virtue of which they might be shut up for life without the form of trial. Under the monarchy, security of person was not understood.

The revolution regarded the claims of neither sex nor age. The best and the worst—the rich and the poor—the youthful and the aged—were in turn consigned to the guillotine. The despotism of Napoleon was not restrained by regard to individual rights. To maintain armies for the purpose of carrying war into Spain, and Germany, and Russia, he compelled every young man to enter the service, and to abandon his parents for a long series of years, and perhaps for ever. The various governments that have succeeded have all followed his example, and have shown that they do not understand in what consist the rights of person.

They still compel men to enter the service, naval and military, for the purpose of carrying on war in Spain or in Africa, as may suit the pleasure of the sovereign, and thus assess the same amount of taxes, in the form of personal service, upon the man of large fortune who can with ease procure a substitute, and upon the labourer who has parents and sisters dependent upon him for their support.

From 1804 to 1814, a period of eleven years, the levies amounted to 2,965,000 men, or an average of nearly 270,000 men. Of these, it is stated, that only 300,000 remained to be disbanded in 1815.

The number of males who, at the present time, annually arrive at the age of manhood, is about 200,000, and is of course

\* Second Report, p. 144.

considerably greater than in the time of Napoleon, at which time, however, the limits of France were vastly more extensive than at present, and yielded a larger supply.

Of these 200,000 persons, about thirty-seven per cent. are rejected on account of insufficiency of height,\* four feet ten inches, (equal to five feet three inches, English,) being the standard. This leaves about 126,000, from whom are again to be deducted those who, in consequence of deformity or disease, are unfit for the service. The number of recruits required in 1835 was 80,186, constituting two thirds of all that were of proper height, and *requiring in some parts of the kingdom nearly all that were fit for service.*† *To be tall, well made, and in good health, is therefore nearly equivalent to being condemned to serve as a common soldier for six years.*

"The pay of a common soldier is forty-eight centimes, [or nine cents] per day. *From this pittance ten centimes are withheld as a provision for the linen and stockings he may require, and for the small articles necessary to his dress and cleanliness; thirty centimes are withheld for his food, and he is supplied with one pound and a half of tolerable bread in addition; eight centimes, (about one and a half cents,) are given to him for pocket money.* \* \* \* The soldier has two meals a day. \* \* The first is composed of soup, and a quarter of a pound of boiled beef; the second of a small portion of vegetables, generally of potatoes or beans, with a quarter of a pound of mutton or veal. The only drink given is water."‡

Here we have the chief part of the population devoting themselves for six years, in the prime of life, to the service of the community, for a miserable allowance of food and clothing, and for pocket money to the amount of one and a half cents per day, or five dollars and forty-seven cents per annum, to be discharged at the expiration of that time to endeavour to acquire, thus late in life, some trade by which they may be able to earn a subsistence.§ If we suppose labour to be really worth only one

\* Dupin, *Forces Productives*, t. I. p. 37.

† "The result of the operations for recruiting the army, in France, proves that in the manufacturing districts the population can scarcely furnish its contingent. The number dismissed as unfit for the service, for various causes, is nearly two fifths."—Villeneuve, *Economie Politique Chretienne*, t. I. p. 321.

‡ Monarchy of the Middle Classes, Vol. I. p. 211.

§ "The military service is disliked by the people, because it strikes out six years from life. During these six years the soldier forgets his trade, if he has one, and too frequently contracts habits of idleness which prevent him from resuming it with success."—Chevalier, t. II. p. 240.

franc, or about one fifth of a dollar per day, for three hundred days in the year, the sacrifice that each conscript thus makes is not less than thirty dollars per annum, being about twelve millions of dollars for the whole army of 400,000 men, and its effect is to relieve the possessors of property from paying taxes to such extent as would be required to obtain, by voluntary enlistment, the number of men deemed necessary for the public service. Such a system is entirely inconsistent with security of person.

During the time that they remain in the service they cannot contract marriage without permission of the colonel of the regiment, which is not easily obtained. The number of married men is stated to be as one to twenty-four of the unmarried.

Notwithstanding the vast force thus kept on foot, security is not obtained. France has exhibited a constant succession of riots and revolutions, requiring the intervention of the military power, and resulting chiefly from the fact that so large a body of men, not having acquired habits of regular industry, are annually let loose on society either to starve or to cut their way to property with their swords.

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The existence of the *corvée* was totally inconsistent with security of person. The repairs of the roads were executed by men who were impressed into the service, and they were not even allowed the smallest pay.\* The rich man could avoid the tax but the poor one could not. A vast amount of labour was expended without result,† and the roads of France are still, with the exception of the great roads, almost impassable during the winter.

\* The value of labour thus applied was estimated by M. Turgot at not less than forty millions of livres, or eight millions of dollars, per annum.

† "In some provinces three days' labour was required, in others six, and in some ten. No remuneration either in money or in wages, was given in return; and what was as bad, the task was unequally proportioned, falling in some districts only on the population within a short distance of the line of road, and in others the population residing at a much greater distance being called upon to contribute their gratuitous labours. A rich man and a poor man, an opulent parish and one in which there was much poverty, were called upon without distinction to leave private occupations, and attend at great inconvenience on the roads. Coercive means were necessary, in order to obtain from every one his due share of labour: but these also varied as judgment or caprice dictated; in some cases penalties being inflicted, and in others the offending parties being imprisoned."

The *corvée* was abolished by the revolution, which substituted the *conscription* in its stead. The first was a tax of a few days in the year—the last is a tax of six years, taken at the most important period of life; the first fell upon only a small portion of the community—the last requires the service of almost every able-bodied man who attains the proper age. Under the first, labour was directed to the improvement of communications with a view to increase the power of production; under the last, it is too frequently directed to the plunder of their neighbours, thereby lessening their power of producing commodities to offer in exchange. Under the first there was some tendency to maintain habits of industry; under the last there is a direct tendency to the production of habits of idleness and a love of plunder, totally inconsistent with the maintenance of security.

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That insecurity which results from misconception of rights and duties on the part of the labouring population, has been great in France. Strikes and turn-outs have occurred in various parts of France; but that of Lyons, in 1834, was the most remarkable. After very serious riots had taken place, the first turn-out was suppressed, and many of the *mutuellistes* were arrested. When their trial came on in April, new disturbances broke out, which continued for nearly ten days, and were not suppressed until about two thousand of the regular troops, and from six thousand to eight thousand of the rioters were killed or wounded. When compared with the riots of Lyons, the disturbances of England, from turn-outs, sink into insignificance, and those of the United States appear scarcely worthy of a passing notice. A recent French writer says, and with great truth, that

“It would be at once too long and too painful a task to record all the popular tumults, all the crimes against property, all the violations of the security of person, of which Paris, and nearly all parts of the kingdom, have been the theatre since the revolution of 1830, *almost all of which have been produced by the misery of the people, or the hatred of ignorant and immoral masses towards all that reminds them of superiority of rank or of fortune—towards all religion and all the barriers destined to preserve social order.*”\*

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That insecurity which results from the indisposition to grant to

\* Villeneuve, *Economie Politique Chretienne*, t. II. p. 29.

others the exercise of the same rights that they would claim for themselves, is forcibly exhibited in the cases of the inventors of machinery. The workmen are unwilling that others should apply their powers more productively than themselves, and they oppose the introduction of improvements and persecute those who devise them. The inventor of the Jacquard machinery was in imminent danger of assassination, and was denounced as an object of universal hatred. The inventors of the bar-loom were persecuted until they were reduced to the extremity of misery, and one of them died recently in a hospital. Their machines are now in universal use, and constitute the great protection of the French silk weavers against their competitors.

Freedom of action could not exist to any great extent in France previously to the revolution. A very considerable portion of the people were either in a state of slavery, or too poor to enable themselves to benefit by freedom if they possessed it. The changes of the last half century have tended to increase the means of the people, but they are still restrained from exercising the power of locomotion. The man who desires to travel from Paris to Lyons must give notice to the police, and receive permission so to do, and the gendarmerie are required *to arrest every person travelling in the interior of the kingdom without a passport*, or with passports not in accordance with the law. Here the right of locomotion is restricted on the ground that it is necessary for the detection of rogues and sharpers, whereas its only effect is to compel the poor and honest to turn rogues that they may indemnify themselves for the injury inflicted upon them by restraints.\* If a foreigner desire to enter France, he

\* "Instead of being 'the terror of evil doers,' and the protection and safety of the respectable portion of the community, the rigours of the police system of France press equally upon all. The same means which are resorted to for the detection of the guilty, the laws which prevent their quitting the district in which they may be residing without permission of the civil authorities, are enforced against the honest, the best known and most respectable bourgeois; the most noted merchant, the most influential landed proprietor, have to submit, have to pass through the same ordeal as the thief and the blackguard."—*Murray's Summer in the Pyrenees*, Vol. I. p. 195.

"The experience of every traveller in France must be in accordance with that of Mr. Murray, who says, 'I had been desired by the gendarme, who took my passport when I arrived, to call the next day at the Bureau of Police, and receive it. I went there but could hear nothing regarding it, and was bid to go to the

must apply to the consul, or to the minister, stating the precise route by which he proposes to travel, from which he must not deviate.

Before the revolution, the restraints upon the employment of time and talent were carried to such an extent that it was even held that *the right to labour was a royal privilege which the sovereign might sell and which his subjects must purchase.\** Many of the restrictions of that time have been abolished, but even now an individual is not permitted to apply his talent in the way that he may deem most advantageous to him. If he wish to exercise any trade or profession, he must purchase a *patente*, and when he applies for it, he may be told that the number is full and that no more can be granted. Thus, if he desire to be a printer in Paris, he cannot obtain permission, if the existing number be not under eighty. The government thus undertakes to judge how many bakers and butchers, how many printers and booksellers are required.

If he desire to apply himself to the manufacture and sale of salt, he is told it is a government monopoly, and on turning to *Almanach Royale*, he finds a "*Conseil d'Administration*," with a great body of "*directeurs and sous directeurs*," and a host of subordinate officers, employed in the business of retailing salt for the benefit of the treasury of a nation of 32,000,000. If he desire to engage in the culture or manufacture of tobacco, the result is the same. If he understand the management of horses and desire to keep them for hire on the roads, he finds that the transport of passengers is a monopoly. If he desire to give instruction, he cannot do it unless he can obtain authority from the University of Paris so to do.† He is thus forbidden to employ his time or his talents in those pursuits most likely to yield him a liberal reward.

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Freedom of opinion, in matters of religion, was greatly restrained, but at present all sects are equal in the eye of the law. Nevertheless, there remains in parts of the country much of the spirit which prompted to the persecution of the Albigensis. In

Passport Office, in the Prefecture, which I did, but found it shut, and *was desired to call again at one*, when it would be ready. \* \* According to appointment I presented myself at the Bureau des Passports, and was told by the officer *to call again at 4 o'clock.*"—*Ibid.* p. 33.

\* Œuvres de Turgot, t. VIII. p. 337.

† So decided by the Court of Cassation, 1834.



1815, great excitement was produced in portions of the south of France by the difficulties between the Catholics and Protestants, and a number of the latter were killed.

Freedom in the publication of opinions in regard to affairs of government had no existence before the revolution. During the revolution, and under Napoleon, there was none. Since the restoration it has been repeatedly subjected to a censorship. After the revolution of 1830, it was supposed that it would be permitted, but within five years there were four hundred and eleven suits instituted by the government against the conductors of the public press, and the punishments decreed amounted, in the whole, to more than sixty years' imprisonment, accompanied with fines exceeding 300,000 francs.\*

Even the importation of newspapers offensive to the authorities is forbidden, and a very recent instance shows that a traveller who has in his possession journals that are obnoxious, is liable to be sent out of the country.†

The right of suffrage is limited to so small a number of persons, that there can exist but little opportunity for disturbances among them, and the control exercised by the government over them renders it at all times secure of a sufficient majority. A very large proportion of the electors hold office at the pleasure of the king, and disobedience of orders would be followed by deprivation of place. There is, therefore, in France, little security for free expression of opinion in relation to the conduct of government.‡

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In 1830, there were sentenced to one year's imprisonment, or more, 10,261 individuals, being one in every 3,118 inhabitants.§ Of these  $12\frac{2}{100}$  per cent., being one in 25,560 inhabitants,|| had committed crimes against the person.¶ The reader has

\* H. L. Bulwer, *Monarchy of the Middle Classes*, Vol. I. p. 95.

† Examiner, 1837, p. 499.

‡ In Great Britain and the United States, the holders of office are generally expected to act with the party under which office is held, but the proportion of office holders to voters is in the first but small, and in the last so small as scarcely to be worth notice.

§ De Beaumont and De Tocqueville, p. 272.

|| The reader is referred to the work of Messrs. De Beaumont and De Tocqueville (*Appendix, Note 18*), for some ingenious reasoning, tending to prove that the amount of crime in the United States is greater than in France. It is ingenious but not sound. Throughout the world, he will find, that where industry is most productive person and property are most secure. In France it is exceedingly unproductive.

¶ De Beaumont and De Tocqueville, p. 266.

seen that in Massachusetts the proportion is one in 86,871. In passing thence to France we should find, with greater density of population, increased security, but the reverse is the case and security is diminished. We should find a still greater difference were we to exclude persons not natives of the country in which they were convicted. In France ninety-seven per cent. were natives, whereas in the United States they constituted only eighty-six per cent,\* leaving fourteen per cent., or almost one seventh to be supplied by foreigners, being, probably, five times more than their proportion.

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In India, security of person or property has never been known. Since the Mahommedan Conquest the country has at all times been desolated by the march of immense armies. At one time by the invading hosts of a Tamerlane; at others by those of a Baber or of a Nadir; at all times by the contending forces of opposite factions, always existing in a country where the succession to the throne is irregular, and its possession uncertain; and where it is constantly the object of contention among fathers and children; brothers and cousins; sovereign and subject.—The history of India is a long scene of horrors, marked only by the incessant plunder and devastation of provinces: the perpetual marching and counter-marching of armies, and the unceasing destruction of property and life. Nothing more fully illustrates the state of society, than the fact of the existence in their language, of the terms “Wulsa” and “Joar,” describing, in single words, scenes so unusual in other countries, that no term has been invented for them. The following account of them is from Rickard’s India.†

“Illustrations of the manners and immemorial habits of a people are sometimes unexpectedly derived from a careful attention to the elements or structure of their language. On the approach of a hostile army, the unfortunate inhabitants of India bury under ground their most cumbrous effects, and each individual, man, woman, and child above six years of age, (the infant children being carried by their mothers,) with a load of grain proportioned to their strength, issue from their beloved homes, and take the direction of a country, (if such can be found,) exempt from the miseries of war: sometimes

\* De Beaumont and De Tocqueville, p. 270.

† India; or Facts Submitted to Illustrate the Character and Condition of the Native Inhabitants. By R. Rickards, Esq. 2 vols. 8vo. London: 1832.

a strong fortress, but more generally of the most unfrequented hills and woods, where they prolong a miserable existence, until the departure of the enemy; and if this should be protracted beyond the time for which they had provided food, a large portion necessarily dies of hunger. The people of a district thus deserting their homes, are called *the Wulsa* of the district. A state of habitual misery, involving precautions against incessant war, and un pitying depredations of so peculiar a description, as to require in any of the languages of Europe a circumlocution, is expressed in all the languages of the Deccan and the south of India, by a single word.

“The second fact is, the shocking ceremony of *the Joar*, of which some instances have been above given. We have seen that the Hindoos, when driven to despair by the Mussulman arms, were in the habit of sacrificing their own wives and children, by burning alive, or otherwise destroying them, to avoid the barbarities and pollutions they would have to endure, by falling into the hands of their conquerors. From facts like these it is to conceive how dreadful must have been the fate of the sufferers; whilst the name or appellation it obtained throughout India, proves the cruelty to have been of no unfrequent occurrence. Even the horrors of the Inquisition in the west, are not to be compared with those of an eastern Joar. In the former, individuals only suffered, and generally under the consolatory hope that their temporary pangs would be rewarded by a happy eternity; but in the latter, thousands at a time were sacrificed, and with no other feeling at the moment than the conviction that the sparing of their lives would only be to expose them to greater cruelties.”

The last century was marked by the invasion of Nadir Shah, attended with an extraordinary destruction of life and of property. Independently of all that was destroyed, it was estimated that he carried with him into Persia, gold and silver and jewels to the almost incredible amount of thirty-two millions of pounds sterling. Shortly previous to that invasion, Sevajee had laid the foundation of the Mahratta power, which continued, during the whole of that century, and until its final overthrow by the Marquis of Hastings, to spread havoc and desolation throughout India. Some idea may be formed of the effect of the operations of such a body from the following:—

“The characters of the Mahrattas throughout all these transactions, have been that of the most rapacious plunderers. Their predatory habits are quite proverbial, and their conquests were in a great measure effected by laying waste the countries through which

they passed. When, therefore, it is considered, that in their first triumphs over the Moguls, they demanded and exacted, where they could, a *chout*, or fourth, of the revenues; that they obtained from the emperor, as before mentioned, a formal grant of this tribute, with power themselves to levy it on the disaffected provinces; that is, the vice royalties which had shaken off the imperial authority; the reader may judge of the state of misery and oppression to which the inhabitants of these devoted countries must have been reduced, who were thus subject to threefold plunder and extortion; first, of the imperial armies from Delhi, who still continued to carry off vast contributions from the Deccan; secondly, of their local Mussulman governors; and thirdly, of their equally insatiate Mahratta invaders. The march of a Mahratta army is generally described as desolating the country through which it passes, on either side of its route, which may thus easily be traced by ruined villages and destroyed cultivation. They plunder as they move along, seizing by violence or by treachery, on all that is valuable, or any way conducive to their present security or ulterior views. Sevajee's depredations in this way were excessive; so that at his death his treasures and arsenals were stocked even to exuberance. Among other acts of the kind, he plundered the rich city of Surat three different times; on one of which occasions only, his booty was estimated at one million sterling. In his celebrated incursion into Drauveda, now called the Carnatic, he is said to have carried off vast wealth; but the best proof, as well as the most characteristic trait of his unbounded and indiscriminate depredations is, that he was at length distinguished by the appellation of "The Robber," which was applied to him as an exclusive and appropriate title."\*

The Pindarees were another description of plunderers, thus described:—

"It is a remarkable proof of the anarchy and tyranny long prevalent in India, and of the deplorable state of its inhabitants, that a power like that of the Pindarees should have grown into such formidable dimensions in the very heart of the country; and spreading terror through all the neighbouring states, should require for its suppression one of the largest British armies that was ever called into the field. There are authentic records of the existence of Pindarees, as a marauding body, for upwards of a century. \* \* \* Their ranks were constantly replenished with vagrants of all castes, and from every quarter of India; men driven from their homes by

\* Rickards, Vol. I. p. 236.

oppression, despair, or famine, to seek a precarious subsistence by plunder. \* \* \*

"Their incursions into the British territories were so frequent, and their devastations so extensive, as to require a military force to be annually employed against them. Their progress was generally marked by smoking ruins, and the most inhuman barbarities to persons of both sexes.

"Marquis Hastings observes of the Pindarees,—'When it is recollected that the association in question consisted of about 30,000 mounted men, all professedly subsisting by plunder, the extent of theatre necessary to furnish an adequate prey may be well conceived. The whole of the Nizam's subjects, as well as the inhabitants of the northern circars of the Madras presidency, were constantly exposed to devastation. It was not rapine alone, but unexampled barbarity, that marked the course of the spoilers. Their violation of the women, with circumstances of peculiar indignity, which made multitudes of the victims throw themselves into wells, or burn themselves together in straw huts, was invariable; and they subjected the male villagers to refined tortures, in order to extract disclosure where their little hoards of money were buried.' " \*

The French and English nations were also contending for the sovereignty of that vast country, stirring up wars among the natives, that they might profit thereby. The native princes themselves, among the most distinguished of whom were Hyder and his son Tippoo, were plundering their subjects to obtain the means of waging war with their neighbours, either for the purpose of retaining or extending their dominions. In short, war, pestilence, and famine stalked abroad, with poverty and misery and wretchedness in their train.

On a smaller scale, for where all are plunderers, there must be some of an inferior order, was what is called Decoity, or gang robbery, another of the inflictions upon this unfortunate country. Recruits were never wanting for the Decoits, or the Pindarees, or any other robbers, for misery and want were constantly driving the people from the homes of their fathers, to seek by plundering others, to make amends for having been plundered. "Murder, robbery, rape, and torture in the most barbarous shapes, where the constant practice of these Decoits,† Nothing was more usual with them than to bind up persons in straw,

\* Rickarda, Vol. I. p. 260.

† "Among the most detestable of the Decoit tribes in India, are the Phansigars, a race of robbers probably unequalled in any part of the world for cold-blooded and

hemps, or quilts moistened with oil, and to burn them alive to force a discovery of hidden treasures."\* The judge of the Calcutta Circuit says, June 13, 1808:

"If its vast extent were known, if the scenes of horror, the murders, the burnings, the excessive cruelties which are continually perpetrated here, were properly represented to government, I am convinced some measures would be adopted to remedy the evil. \* \* It cannot be denied that there is in fact no protection for persons or property."

This too was in Bengal, in the vicinity of Calcutta, the earliest and most important possession of the Company!

The police were little better, if we may judge from an extract from a letter of Mr. Secretary Dowdeswell, (1809,) quoted by Mr. Rickards. He says they are an actual "pest to the country from their avarice, and addiction to every species of extortion."

Since that time the Mahrattas and Pindarees have been subdued, but gang robbery still exists, although to a much more limited extent. During the existence of such a state of things, all that could be hoped for by the unfortunate cultivator, would be sufficient to secure him and his family from starvation. Not only could there be no fresh accumulation of capital, but that which had been before accumulated was destroyed and the people were retrograding towards barbarism. Immense tracts of land were depopulated and soon became jungle, inhabited only by lions and tigers, roaming unmolested where the Hindoo had for ages cultivated the arts of peace.

The following extract from Sir John Malcolm's Central India, shows that, *in three districts*, 4624 villages had been abandoned, of which 1573 remained uninhabited in 1820.

"The total number of khalsa, or government villages re-peopled in Holkar's country were, in 1818, number 269; 1819, 343; 1820, 508; leaving villages uninhabited, but since peopled, 543.

heartless depravity. Their system of plundering is as peculiar as it is horrible; when they rob they invariably murder, except when the victim happens to escape, which is a circumstance of rare occurrence.

"These robbers derive their name of Phansigars from the instrument with which they accomplish their atrocious murders. Phansigar signifies a strangler, and they employ a phansi, or noose, which they suddenly cast over the heads of whom they intend to plunder, and strangle them."—Rev. H. Caunter, p. 113. See also Edinburgh Review, No. 130, for an account of the Thugs, a fraternity of murderers.

\* Rickards, Vol. II. p. 207.

"In Dhar the restorations of villages were, in 1818, number 28; 1819, 68; 1820, 52; leaving then uninhabited, 217.

"In Bhopal, the restorations were, in 1817, number, 965; 1818, 302; 1819, 249; 1820, 267; leaving untenanted, 813.

"In many places, not only were hundreds of villages left roofless, but the wretched inhabitants, when returning to them on the establishment of our sway, were devoured by the numerous tigers that overran the country. Captain Ambrose despatched to his superior authority, in 1818, a list of the people killed by these ferocious animals, in one district, within the year, amounting to eighty-six!"\*

During the period of comparative security that has followed, population has begun to extend itself slowly, and part of those lands that had been abandoned have again been brought under cultivation; but a long time will be necessary to recover from the effects of such a state of things as has been described.

Freedom of action is so little known that the cultivator "is punishable with stripes if he neglect to cultivate his land—his pretended property. He is therefore not even master of his own limbs and actions, but essentially a *slave*."†

The following extract from the minutes of the Madras Revenue Board, may be taken as evidence of the extent of freedom allowed to the Hindoo.

"The amount levied on each Ryot was in fact left to be determined at the discretion of the European or native revenue officers, for it was the practice to *compel* the Ryot to occupy as much land, and consequently to pay as much revenue, as they deemed proportional to his circumstances; he was not allowed, on payment even of the high survey assessment fixed on each field, to cultivate only those fields to which he gave the preference; his task was assigned to him; *he was constrained to occupy all such fields as were allotted to him by the revenue officers*; and whether he cultivated them or not, he was, as Mr. Thackery emphatically terms it, *saddled*, with the rent of each." Mr. Rickards adds, "that *if the Ryot was driven by these oppressions to fly, and seek a subsistence elsewhere, he was followed wherever he went, and oppressed at discretion, or deprived of the advantages he might expect from a change of residence.*"‡

In tracing the course of the United States, from their settlement to the present time, we find a constant increase of security.

\* Martin's Colonies, Vol. I. p. 337.

† Scrope, p. 106.

‡ Rickard's India, Vol. I. p. 476.

We find the same as we pass from the new settlements of the present day, to that of Massachusetts, the oldest and most densely peopled. We find it in studying the histories of England and of France for hundreds of years past. It is therefore a law of nature, that as, with the increase of capital, the inferior soils are brought into cultivation yielding constantly increasing returns from a constantly diminishing surface, and as man is consequently enabled to live in closer connexion with his fellow man, there is a constant *tendency* to increase of security, permitting him more advantageously to apply his time to the production of commodities required for his support, or for the gratification of his desires.

In passing from the United States with 15 to a square mile, to England with 250, instead of finding security increased it is diminished. It is still less in France with 160, and it scarcely exists in Bengal with 300 to a mile. Thus in that nation in which it should be highest, it is lowest, and *vice versa*.

Those nations have failed to obtain, with their increased population, the high degree of security which they might have anticipated therefrom. In endeavouring to ascertain the cause of this we must not forget that rights and duties go hand in hand, and that when men fail in the performance of the last they not unfrequently lose the power of protecting themselves in the enjoyment of the first. The most important of those duties is contained in the precept—*Do unto others as you would have others to do unto you*. In the course of the United States we find a nearer approach thereto than in that of any other nation. It has been uniformly peaceful. They have abstained from interference in the quarrels of their neighbours. They have not made war upon them for the purpose of plundering or destroying them. They have not desired to lessen the security of others, and their reward is found in the enjoyment of security for themselves.

England has been accustomed to interfere in the affairs of her neighbours. She has lessened their security, and her people are consequently much less secure than they would have been had they employed themselves in using spades and ploughs instead of muskets and rifles.

France has been always engaged in disturbing the security of others, and the natural consequence is that her people have never enjoyed it themselves.



Of the people of India, it may be said, that their hands have been against all men, and all mens' hands have been against them. Security has been consequently unknown.

The following scale gives, we think, a tolerably accurate view of the extent to which security in the enjoyment of personal rights exists in those nations.

The United States,	-	-	100
England and Wales,	-	-	85
France,	-	-	40
India,	-	-	10

Upon a retrospect of their history, it will be seen that they enjoy the rights of person in nearly the ratio in which they have been disposed to permit others to do the same. An individual that employed himself in assaulting and plundering others, could expect but little security for himself. If he understood his own interest, he would find a more productive mode of employing his labour, and would permit his neighbours to enjoy in peace that which they produced. So is it with nations. In some we find that passion for assaulting and plundering others which keeps themselves poor and renders them a nuisance to their neighbours, and an obstruction to the course of civilization, while in others we find a disposition to labour themselves and to permit others to do the same. The consequence is that the latter live in security and enjoy a high degree of productive power.

"God hath made man upright, but they have sought out many inventions." We find in the United States comparatively few of those inventions, and there we find that with increased population there is a constant increase of security, and that in Massachusetts, where population is most dense, security is most complete. In proportion as we find in other nations the inventions of man abounding—as we find existing the disposition to assault and plunder others rather than to labour themselves—we find a constantly increasing insecurity.

## CHAPTER III.

## SECURITY OF PROPERTY.

## ENGLAND.—THE UNITED STATES.—FRANCE.—INDIA.

WHEN the population of England was small and thinly scattered over the land, property was highly insecure. It has already been shown that, as recently as the reign of Elizabeth, bands of plunderers roamed over the kingdom, whom the authorities dared not bring to justice. Property in the northern counties was so little secure, that they were termed "the debateable lands." The people of both sides of the border were always ready to carry fire and sword among their enemies, and no man could retire to rest without the apprehension that his house might be burned before the return of day. From that time to the present, with the increased facility of obtaining subsistence from the inferior soils, enabling men to live in closer intercourse, property has become daily more secure. The fear of border wars has passed away; order has succeeded to disorder; and the proprietors enjoy a security unknown to other parts of Europe.

The total number of persons convicted for offences *against property* in 1834, of a character to entitle them to punishments *exceeding* one year's imprisonment, was 4647, being one in 3120 of the population.\*

\* Porter's Tables, Part IV. p. 394. In this Table one column is devoted to punishments of one year and exceeding six months, in which are more than 1400 convicts. Being unable to discriminate between those of one year and under, we have limited ourselves to those *exceeding* one year.

The following statement shows, that even in the vicinity of some of the most densely-peopled portions of England, security is still far from complete. "In August, 1837, a gang of robbers was dispersed that had, for several years, infested the neighbourhood of Peckforten Hills, Cheshire, and who sustained themselves wholly by plunder. The farmers in the neighbourhood were fully aware who were the parties who committed the depredations, but for fear of further molestation they never uttered a complaint. The gang became so fearless and desperate in their marauding excursions that even in daylight they entered the farm houses and possessed themselves of the articles they desired. Success rendered them fearless, and in a measure affluent. They purchased donkeys for the transportation of their plunder, and extended their operations to the distance

In the United States we find a similar state of things, as we pass from the period of the settlement at Plymouth to the present time. We find the same, at the present day, in passing from the Rocky Mountains to the Atlantic; from the country now occupied by the aborigines, to the State of Massachusetts with a population of eighty-one to the square mile. In the new Territories we find the squatter and the purchaser of land disputing the title to property, and not unfrequently resorting to the law of force, while in the old States the right thereto is guarantied by laws, the execution of which is secured by an unanimous public opinion.\*

Of crimes against property, involving punishments of one year's imprisonment, or more, we find, in Pennsylvania, one in 4400; in New York, one in 5900;† in Massachusetts, one in 5932, showing a constant decrease as population becomes more dense, and as man is enabled to derive a larger return to labour, with the increase of capital, enabling him to cultivate the inferior soils.‡

In both countries there has existed that feeling of the security

of fifteen miles from their establishment. On many occasions the farmers of the neighbourhood saw the heavily laden animals driven to the place of resort, where the booty was equally divided."§ This appears to us the most extraordinary fact we have recently met with, and we doubt exceedingly if it can be paralleled in the United States, widely scattered as is their population.

\* "In no country does crime more rarely elude punishment. The reason is, that every one conceives himself to be interested in furnishing evidence of the act committed, and in stopping the delinquent. During my stay in the United States, I witnessed the spontaneous formation of committees for the pursuit and prosecution of a man who had committed a great crime in a certain county. In Europe, a criminal is an unhappy being who is struggling for his life against the ministers of justice, while the population is merely a spectator of the conflict: in America, he is looked upon as the enemy of the human race, and the whole of mankind is against him."—*De Tocqueville, Vol. I. p. 132.*

† In New York, the minimum of punishments among the convicts included in this statement, is two years' imprisonment; whereas, in Pennsylvania and Massachusetts it is one year. Were the returns from New York and Massachusetts constructed alike, it would be found that the former would bear a proportion more accordant with the diminished density of its population.

‡ In the statement previously given in regard to England, we have omitted those whose sentences were only one year's imprisonment; whereas, in Massachusetts and Pennsylvania they are included. The real disproportion is, therefore, much greater than is given above. For further information see the Report of Messrs. De Beaumont and De Tocqueville, page 244.

§ London Examiner, September 3, 1837.

of property which results from the knowledge that its possession and enjoyment are guarantied by the law, and that it can be taken from the possessor only by legal action. Full confidence has been felt in the stability of the respective governments, and every man has felt safe in using his property in such manner as he deemed most likely to yield him the largest revenue, *when permitted so to do*. Notwithstanding this general security, there have existed many cases of insecurity, resulting sometimes from acts of government, at others from acts of the people and want of power in the government to enforce the execution of the laws, as we shall proceed to show.

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A declaration of war by one nation is a license to its citizens or subjects to plunder the citizens or subjects of an other. The plunderers obtain booty and glory; the plundered are reduced, perhaps, to beggary. That the practice of robbing innocent merchants, and carrying the unoffending crews of their ships into captivity, should have continued to the present time, is evidence of the slow progress of civilization; but it cannot be doubted that better times and better feelings are approaching, and that no long period will elapse before the robbery of merchant ships, by public vessels, will be placed on a level with highway robbery, and privateering be regarded as little better than petty larceny.

We have already shown that, during one half of the last one hundred and fifty years, England has been engaged in war. Her merchants have seen their property liable to plunder; they have been compelled to pay heavy insurance against the risk of capture; and they have been obliged to forego the advantages of prompt despatch to avail themselves of the convoy of armed ships. If they sailed without convoy, the rate of insurance was enormously heavy; if they waited for it, the loss of time and interest was immense. It would be difficult to imagine any circumstance that could tend more to repress improvement than the knowledge that no advantage could be derived from it. During the late war it was useless to build fast ships, because they could not make their voyages in less time than the slowest vessels of the convoy. It was useless to make exertions to give them despatch, because they could not sail until the fleet was ready. The system tended to produce sluggishness in the ship-

builder, the merchant, the master, and the sailor, because exertion could bring with it no reward.

We have also shown that the United States, with slight exceptions, have abstained from war during the whole period of their political existence. They have endeavoured to promote the introduction of a new code of laws for the government of civilized nations during war, under which the property of individuals, wherever found, shall be respected, and reprisals shall be confined to public vessels. That such a system will be adopted, and perhaps at no very distant period, there can be now no question.

Having never been placed under circumstances that rendered it necessary to take convoy, by which the careless and indifferent—the lazy and inactive—were placed upon the same footing with the active and intelligent—the industrious and enterprising—they have had every inducement to exertion, and the consequence is seen in the extent of their mercantile marine; in the superiority of their vessels; their rapidity of sailing; and the prompt despatch which is given to them, enabling their owners to pay high wages and obtain large profits of capital. Had they been cursed, during a period of thirty years, with a convoy system, they would, perhaps, be now about to commence the improvements which they have long since accomplished.

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With the exception of the period of the revolution, security has not, in the United States, been disturbed by civil wars or tumults of material importance. Instances have, however, occurred, of riots, disgraceful to the parties engaged in them, and to the communities that permitted them. Thus in Baltimore, but two years since, several houses were nearly destroyed, and for two days the rioters, though few in number, had uncontrolled command of the city. In Philadelphia, on two occasions, the property of unoffending blacks has been destroyed. In New York, similar occurrences have taken place, and in Charlestown, Massachusetts, a nunnery, occupied by a body of useful and meritorious females, was destroyed without opposition from the respectable portion of the citizens of the town.

In Maryland, the county was compelled, by a special law of the Legislature, to make amends for the damage that was done; and in Pennsylvania, a similar law compelled, on one occasion, a similar compensation; but in New York, no such remedy was

obtained; and in Massachusetts, redress was refused by the Legislature. Had the true object of government been fully understood, no necessity could have arisen, in any of those States, for the passage of special laws upon such occasions. Government is a great insurance office, and the man who pays the premium in the form of taxes, has a right to perfect security. We cannot doubt that this truth will come to be sufficiently understood to induce legislators to provide, by a general law, that the sufferers in cases of riot are entitled to indemnity.

In England, the rights of property have occasionally been interfered with in a similar manner. On one occasion nearly all the shops of London were closed for several days. Within a few years there have been destructive riots at Bristol and Nottingham, but there the rights of the proprietors were secured by law, and the towns were called upon to make good the loss. We shall, however, have occasion hereafter to show that the error on one side, in England, is as great as that on the other in the United States; and that while in the latter an individual may pay taxes for security that is not afforded to him, in the former he occasionally obtains security at the expense of other tax payers, being taxed at a very low valuation, and indemnified at a very high one. *Every man is bound to pay for his insurance in proportion to his interest*, and while to pay him less than the amount for which he is insured is to do *him* injustice; to compel others to pay him more than the amount at which he insured his property is to do *them* injustice. The course of true justice lies with neither.

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In regard to the right of the community to take the property of individuals for the public use, there prevail the same erroneous views as in relation to the right to demand their services.\* The community has no right to take any property without the payment of its full value. In general this principle is fully understood, but it is not practised. During the short war of the United States with Great Britain, numerous cases occurred in which property was taken for the public service, for which the owners were not remunerated until after many years of application to Congress, and vast expense. What has been, in this respect, the system of England, we know not.

Both countries have equally erred in assuming a right to dis-

\* See page 29, ante.

pose of the property of individuals in their negotiations with foreign powers. Thus the United States relinquished the claims of its citizens upon France for various spoliations, on condition of being released from certain treaty obligations. They obtained in this way a valuable consideration, yet they have, to this time, refused compensation. At the time of the attack on Copenhagen, Great Britain seized Danish property, then in the several ports of the kingdom, to the amount of a million and a half of pounds sterling, and Denmark, in like manner, confiscated British property to the amount of £100,000.\* The British government, to the present moment, promised to pay its subjects the amount of their claims, but they have never received a farthing. Their losses arose out of the action of the government, which possesses the means of indemnifying them, yet refuses to do so. Were the rights of the community and those of individuals properly understood, such conduct as that of both the governments referred to would be deemed *robbery*.

The United States are free from one cause of insecurity that exists very extensively in other countries, viz. that which results from the disengagement of labour in consequence of improvements in machinery. The rapid growth of capital produces so great a demand for labour, that those who are thrown out of one employment are speedily absorbed by another, and thus improvements are introduced without causing suffering to the workman, or insecurity to his employer.

In England, on the contrary, almost every improvement is preceded, or accompanied by tumults, and many cases have occurred in which machinery has been destroyed, and its owners compelled to transfer elsewhere their capital and skill.

Machine breaking and incendiarism have existed in various parts of the kingdom, in the agricultural† as well as in the manu-

\* Companion to the Newspaper, Vol. III. p. 418.

† "In the neighbourhood of Aylesbury, (December, 1830,) a band of mistaken and unfortunate men destroyed all the machinery of many farms, down even to the common drills."—*Results of Machinery*, p. 16.

"Instances, nevertheless, have been frequent, of farmers being obliged to use the scythe instead of the sickle, though the resorting to this instrument has, on all occasions, excited the ill-will of the labourers to a very dangerous extent, for the scythe is a most powerful and efficient instrument, and it is thought that if brought into use would extinguish the usual harvest earnings."—*Report of Poor Law Commissioners.—Evidence of Mr. Chadwick.*

facturing districts,\* and thus the progress of improvement in the productive power of the nation has been arrested.†

That insecurity which arises out of the existence of exclusive privileges, and to which may be attributed much of the feeling which has, in England, at various times, manifested itself in the burning of hay-ricks, barns, &c., cannot be said to exist in the United States.‡ It is occasionally to be found in the larger cities, but almost uniformly among foreigners. On this head we shall offer the evidence of an acute observer, who is not to be suspected of a disposition to give erroneous information. After describing the condition of the labouring population of the United States, he says,

“This incontestable fact of the generally easy condition of the people, is here accompanied by another, which greatly increases its importance in the eyes of an European, friendly to improvement, and enemy to violence. In politics, radicalism is here *a la mode*. The word democracy, elsewhere dreaded even by republicans, is here received with acclamation. Each party desires to be known as *the demo-*

\* “Incendiarism, machine breakings, assassination, vitriol throwing, acts of diabolical outrage, all have been perpetrated for intimidation or revenge.”—*Gas-kill, Artisans and Machinery*, p. 268.

“Another symptom of the bad feeling of the operatives in England, is the incendiary fires which have taken place. On the 10th December, the extensive cotton factory of Messrs. Faulkner & Owen, Manchester, was discovered to be on fire; but the spectators, instead of assisting the firemen, “manifested their fiendish glee at the progress of destruction by loudly cheering whenever a falling wall gave indication that the fire was still doing its work.” The proprietors of this factory had quarrelled with their regular workmen, and had engaged new hands, to protect whom they had been obliged to quarter them in the buildings.—*Tait's Edinburgh Magazine*, January, 1837.

† “An engineer, who has contributed largely to benefit society by his inventions, tells the writer of this book that he has completed several machines which he considers of general utility, but which he dares not bring forward in the present state of the popular mind.”—*Results of Machinery*, p. 164.

“Large quantities of the drudgery of carriage construction might be performed by steam, and greatly to the advantage of the workmen; but the peculiar rules established among them, and the jealousy they naturally feel lest any unknown process should diminish the amount of their earnings, will for many years prevent this, unless some determined speculator should embark in a wholesale carriage business, with an entirely new set of workmen, taken indiscriminately from all trades, unshackled by trade rules.”—*Adams on Pleasure Carriages*, p. 173.

‡ “In America, those complaints against property in general, which are so frequent in Europe, are never heard, because in America there are no paupers; and as every one has property of his own to defend, every one recognises the principle upon which he holds it.”—*De Tocqueville*, Vol. I. p. 127.



cratic party. There are three or four shades of opinion which claim that title as their exclusive property, *but it is the only species of property the right to which is questioned.* . It is true that fortunes are quickly lost in this country, except where care is used in their preservation, or where constant labour renews them. Nevertheless, so long as they subsist, they are the object of profound respect, which I acknowledge has surprised me much. I should have expected to find that the theory of social economy had borrowed some syllogisms from the theory of politics. *One who, in Europe, would not be reckoned among the boldest would here be deemed an audacious innovator.*"—*Chevalier, t. I. p. 171.*

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The employment of capital in the United States is restrained, in many of the States, by usury laws, while in others it is entirely free. Until recently the same restrictions have existed in England, but within a few years they have been partially removed, and the effect has been so advantageous that it cannot be doubted that they will be abolished in both countries. The change in the latter country has been made so gradually that the benefits have been felt without any of the inconveniences that must otherwise have arisen.

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The necessity for collecting taxes for the support of government interferes with that perfect security of property which would tend to render labour most productive. Where, however, the taxes imposed are small, there exists but little inducement for attempting to evade them; but where they are heavy, the inducements for so doing are great, and must be met by regulations requiring for their enforcement large bodies of officers, and constant interference with the affairs of individuals.

In the United States, the revenue of the federal government is derived exclusively from sales of land and duties on imports. For a long period the latter were light, and as smuggling was not apprehended, trade was subjected to few regulations. Since the adoption of the high tariff system, it has been found necessary to adopt rules much more strict, and exchanges have been subjected to inspections that were formerly deemed unnecessary. This is, however, the only case in which any interference exists, and will be reduced as the tariff is gradually brought down to a mere revenue system.

In England, on the contrary, the necessity for raising a large revenue compels the government to impose taxes, by the aid of excise laws, upon many even of the domestic exchanges that take place, thus preventing the shoemaker from exchanging his products for those of the paper maker or glass blower, unless he will pay the government for permission so to do. Nor is this the only disadvantage. To secure the collection of the revenue, it has been found necessary to prescribe the modes of operation in various branches of manufacture,\* and thus the brewer,† the

\* "By the excise laws prescribing the processes of fabrication, the manufacturer cannot manage his trade in the way his skill and experience point out as the best; but he is compelled to conform to such methods of pursuing his art as he finds taught in the acts of Parliament. Thus the unseen injury arising from excise taxation, by its interference with the free course of manufactures, is much greater than is suspected by the public. The consequence of the activity and invention of the manufacturers being repressed, is, that the consumers of goods pay increased prices, not only for the duties imposed on them, but for the additional expense incurred by absurd and vexatious regulations; and in addition to this, the goods are generally very inferior in quality to what they would be if no duties existed."—p. 29. "In the act of Parliament for the collection of these duties, (on glass,) there are no less than thirty-two clauses of regulations, penalties, and prohibitions; all great obstacles in the way of introducing improvements, vexatious in the highest degree to the manufacturer, and necessarily obliging him to sell his goods at much higher prices than what the mere amount of the duty occasions."—*Parnell, p. 31.*

† "The first thing a poor man, who wished to malt his own barley, had to do, was to obtain a license; then his name must be written at length over the door in letters of a certain size; next his cistern must be of a certain depth, breadth, and width. \* \* \* After this he was obliged to give notice of the time when he intended to wet; \* \* \* it must fix a particular time; it must be handed to the next exciseman; if it were a rural district, the wetting must take place within forty-eight hours, and if otherwise, within twenty-four hours. If he varied three hours from the time specified, his notice was bad, and he must go over the ground again. \* \* \* He cannot take it out without another notice, and then only once in ninety-six hours, between 7 and 4 o'clock. \* \* \* When all this is done, his malt must be laid in regular couches, according to seniority. And if those couches have ragged and not smooth edges, he incurs a penalty of £200. \* \* \* I pledge myself to prove by maltsters that it is of the utmost importance to be able to sprinkle seven-eighths of the barley at the end of eight days; yet as the law now stands, they may not sprinkle until the end of twelve days. And they are liable to penalties if a servant throws a drop of water upon it. The poor man who wishes to malt, is also obliged to keep a barley book, in which he is to enter the days and the hours—the Christian and the surnames of every person who sells him a bushel of barley, and the same of every person who purchases malt of him. Every bushel of malt sent out must be accompanied by a certificate, and every petty particular in the barley book might be examined at any hour of the day and night by the exciseman. \* \* \* Every part of the process is loaded with the most ruinous penalties, and before malt is brewed it must run the gauntlet of at

paper maker, the glass blower,\* &c., are prohibited by law from making improvements, lest the collection of the revenue should be endangered.

least thirty acts of Parliament; and *there are not less than seventy statutes with which every man must be acquainted before he can venture to malt his own barley and brew his own beer.*"—*Speech of Mr. Slaney, in the House of Commons.*

"A large proportion of the barley set aside as unfit for malting, would make, as far as nature is concerned, very good malt, but requires a process somewhat different from that which the excise regulations prescribe, and is consequently rendered by law useless for that purpose. It may easily be conceived that, if the times and mode of ploughing, harrowing, and sowing, were prescribed by law, a large portion of land now productive would lie waste."—*Senior, Outline, p. 204.*

"The zeal for securing revenue has so kept down the trade of malting, as to have made the consumption stationary for the last forty years; whereas, there can be no doubt, that if the trade had not been so harassed by excise rules, checks, and penalties, the consumption would have increased with increased population and wealth, and consequently the revenue derived from it."—*Parnell, p. 176.*

\* "It appears, therefore, that notwithstanding the increase of population and general luxury, the consumption has been kept down by your improvident system, and is actually now less than it was five and thirty years ago. But here again the duty is far from being the greatest evil. Let any one turn to the act: he will find thirty-two clauses of regulations, penalties, prohibitions, all vexatious to the manufacturer, and all to be paid for by the public. I have said that the duty on flint glass is 6*d.* per pound; the glass, when made, selling for 1*s.* But the excise officer has the power of imposing the duty, either when the glass is in the pot, 3*d.* per pound, or after it has been turned out, at 6*d.*; the glass, when turned out, gaining 100 per cent. It is found more advantageous to the revenue, to exact the duty on glass in the pot, at 3*d.*; and in this way the duty is raised to 7*d.* Nor is this all. The manufacturer is driven by this method into the necessity of producing frequently an article which he does not want. He makes the fine glass from the middle; the coarser from the top and bottom of the pot. He frequently wants only fine glass, and he would remelt the flux of the coarser parts, if he had not paid duty upon it; but of course he is unable to do so. All the glass manufacturers whom I have consulted, agree that the whole cost of the excise, to the consumer, besides the duty, which is 100 per cent., is 25 per cent.; and besides there is great inconvenience and oppression from the frauds that are daily taking place. And observe the effect which is produced upon your trade, both at home and abroad. A manufacturer who has lately travelled through France, the Netherlands, and Germany, has assured me that our manufacturers could advantageously cope with foreigners, were it not for the duties imposed by the government. Labour is as cheap in this country, our ingenuity greater, and the materials are also as cheap: it is, then, the vexatious, onerous duty alone that gives the foreign manufacturer the advantage over the English. But the effect of the duty goes further; it operates to prevent all improvement in the article, because to improve experiments must be made; but a man with a duty of 125 per cent. over his head, is not very likely to make any experiments. This argument applies especially with respect to colours. A manufacturer has assured me, that he has never been able to produce a beautiful red, because the duties have

In other cases we find regulations of a different kind; thus the miner of tin is compelled to cast it in a particular form; to convey it to a distance to be surveyed; and then to *carry it back to the place from whence it came before it can be shipped.\**

An effect somewhat similar is produced by the inspections and regulations by which the actions of dealers in bread, butter, flour, pork, and many other articles are obliged to govern their movements. It is deemed very necessary to maintain this system, by many who would strongly oppose the extension of it to cotton or to cotton cloths, yet there would appear to be the same reason for inspecting a bale of cotton as a barrel of flour, and for fixing the width of cotton cloth, as the weight of a lump of butter.

This system is still retained in the United States, but it is limited in extent compared with that of England. In the

prevented his trying experiments, without his incurring a great risk or loss. Thus a miserable duty, amounting to only £500,000, and upon which a charge of 10 per cent. is made for collecting, is allowed to impede our native industry, and to put a stop to all improvements, and be a source of endless oppression and fraud. I really cannot believe that the legislature will resist such an appeal as the manufacturers of this article could make to them, or refuse to relieve them from the gratuitous injury which is inflicted on them."—*Speech of Mr. Ponlett Thompson.*

\* "All tin produced in Cornwall, has for a lengthened period been subject to a duty of £4 a ton, payable to the Duke of Cornwall: the tin raised in Devonshire is subject to a similar duty of £1 13s. 4d. a ton. This duty produces from £15,000 to £20,000 a year; and is felt to be a serious grievance not only from its amount, but from the vexatious regulations under which it is collected. Though the orders to the miner were for tin of a peculiar description, *he is not allowed to melt it at once into the required form, but is obliged to cast it, in the first instance, in blocks.* This regulation being complied with, it might be expected that the tin would be surveyed by its officers at the smelting house, and the duty charged accordingly; but instead of this, *the miner is obliged to convey it, sometimes as far as eight or ten miles, to one of the coinage towns, where it is, (and where only it can be,) coined; that is, a small piece is struck off one of the corners, and it is impressed with the arms of the duchy, and the duty paid; and this done, the tin has frequently to be carried back, before it can be shipped, to the very place from whence it was taken to be coined!* But even this is not all. *The ceremony of coinage is only performed quarterly; so that, however pressing the demand for tin may be in the interim, the miner cannot supply it.* There are also certain fees payable on the coinage, particularly if it takes place during the Christmas and Lady-day quarters; so that if we add to the duty of £4 a ton those charges, and a reasonable allowance for the expense of carriage, trouble, and inconvenience to which the miner is put, the whole may be moderately estimated at £5 a ton."—*McCulloch's Statistics of British Empire, Vol. II., p. 14.*

latter, laws have been passed forbidding the sale of bread unless it had been baked twenty-four hours. In relation to the packing of butter, there are 24 Acts. In relation to wool and the trade therein, there are no less than 987 statutes—to gold and silver, 290—to tobacco, 460—and to the fisheries, 970 Acts.\* These are all interferences with the rights of property.

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Regulations in regard to *the places at which exchanges must be made*, are not less interferences with those rights. In New York, the sale of butchers' meat is permitted only in the markets owned by the corporation. Such restrictions, however, rarely exist in the United States. In England they are more common, and on a recent occasion, when it was proposed to establish a rival market in London, the Court of Common Council expended £10,000, or \$48,000, in opposing the project before a committee of the House of Commons.† It is stated that, under some old regulation, fixing the place at which certain acts should be performed, one of the steam packet companies to Gravesend had to pay for the last year nearly £3,000 of pier dues, for a pier at which they never landed, having one of their own.

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Laws by which men are compelled to employ certain individuals to work for them, when others could be found more competent, or who would enable them to obtain a larger return for their labour or capital, are violations of the rights of property, and tend to diminish the power of production. Of this character are restrictions upon the employment of ships of one nation in preference to those of another. By the British navigation laws, an Englishman was prohibited from employing a *foreign ship* for bringing home his remittances from any part of Asia, Africa, or America. If in America he found merchandise the product of Asia, or *vice versa*, if he found in Asia the products of America, he was not at liberty to take them in exchange for his commodities with a view to remit them to England, *even although he employed a British ship to transport them*. With a view to countervail these regulations, the United States adopted a system of restriction by which they limited their own citizens in the choice of shipping. The absurdity of such a system is always best exposed

\* Extraordinary Black Book, quoted by Mr. Wakefield, p. 291.

† London Review, No. V. p. 77.

when both parties have adopted it, and accordingly, at the close of the war in 1815, both being equally satisfied that their prosperity would be promoted by the abolition of restraints, it was settled by treaty that equal charges should be imposed upon the ships of both nations, and equal duties upon the merchandise imported in them.\* Other nations followed the example of the United States in imposing restrictions upon British commerce, and the effect has been the gradual introduction of a system of reciprocity.

There are still many restraints upon the right of freely employing ships in the transport of the commodities produced in England, or in bringing home those purchased abroad, all of which are interferences with the rights of property. Some are still imposed on the people of the United States, whose government has, however, proposed to all nations the abolition of restrictions of every kind on their trade with each other. In both England and the United States, the domestic trade is limited to their own shipping, and the producer of wheat, or coal, or cotton, is prohibited from using foreign ships for transporting his commodities from one port to another, even were their owners willing to do it at half the usual freight.

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Laws which compel one individual to exchange his commodities with another who will give him for it a smaller quantity of those which he requires than he could have from a third were he not thus restricted, are violations of the right of property. This effect is always produced to a certain extent, by the collection of duties on imports, as the home producer is not sub-

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\* "Various devices were fallen upon to counteract the navigation system of the Americans, without in any degree relaxing our own: but they all failed of their object; and at length it became obvious to every one that we had engaged in an unequal struggle, and that *the real effect of our policy was to give a bounty on the importation of the manufactured goods of other countries into the United States, and thus gradually to exclude our manufactures and our shipping from the ports of the Republic.*"—*M'Culloch, Dictionary of Commerce*, p. 760. Every attempt to restrain the manufacturer in regard to the ships that he may use, is an injury to him, because it prevents him from sending his commodities at the cheapest rate to market, and if his rival be free from restraints, the difference in the cost of transportation may deprive the former of the trade. Every limitation of the import trade must increase the freight on the export trade, as if the owner of a ship be deprived of the right to bring home a cargo of sugar from India, or of copper from South America, and thus can make no freight, it is obvious that he must charge a higher freight outwards than if he were permitted to exercise that right. *Production is diminished and the ship-owner takes a larger proportion than he would do if he were allowed to act as his own interest dictated.*

ject to the same duties, and may, of course, sell his commodities so much higher than he could do were there no such restraint upon exchanges with foreigners. When this effect arises from the imposition of taxes necessary for the support of the government, the effect is always less severe than when they are imposed avowedly for the purpose of protecting the home producer. In the former case, they are arranged with a view to promote importation, and thus augment the revenue, while in the latter the object is to prevent importation, and diminish competition, and therefore the tax is heavy. In the one case the additional price is paid for the maintenance of government; in the other it is paid to the home producer, and constitutes a bounty, from the payment of which the consumer derives no benefit whatever.

Until the close of the late war, the chief object in imposing taxes of this description in the United States, was revenue, and the protection thereby afforded to manufacturers was incidental. Subsequently the protective policy was adopted, and very high duties were imposed. That system continued, however, but a few years before the adoption of a compromise between its friends and opponents, by which it is now a course of gradual reduction to a revenue duty. When at the highest, it was still free from *prohibitions*. Every commodity could be imported, upon payment of a duty fixed by the law. At present, a large portion of the foreign commodities used in the United States, are free of all duty—as tea, coffee, silks, &c. Upon cottons, woollens, iron, sugar, and others, it is still heavy, but is in a continual course of reduction. The imposition of duties upon *exports* is expressly forbidden by the constitution. The internal trade is perfectly free, and merchandise of every description may be transported from any one part of the country to any other part, without the payment of any duties whatever.

In England, restrictions upon exchanges have been carried to a much greater extent. The corn trade, one of the most important, has always been subject to restriction. From 1436, until 1562, *exportation was prohibited*, unless prices were below a given point. In 1571, a duty was laid on exportation. In 1670, prohibitory duties were imposed *to prevent importation*. In 1688, a *bounty of 5s. per quarter was granted on exportation*, showing a complete change of system. Importations were still subjected to prohibitory duties. In 1773, importation was permitted at a nominal duty, when the price was above 48s. per quarter, and

*exportation prohibited* when above 44s. In 1791, the price at which importation at a low duty was allowed, was raised to 54s., and when below 50s., it was subjected to prohibitory duties. In 1803, the prohibitory duty was made applicable whenever the price should be below 63s., while a bounty was allowed on exportation, when below 50s. In 1813, a committee of the House of Commons recommended that it should not be imported free of duty when under 112s. In 1815, importation *for consumption* was prohibited, when the price was below 80s. per quarter. In 1822, another change took place, by which the price at which importation was permitted, was lowered to 70s. In 1828, a new system was adopted, by which prohibitory duties were imposed when it was at or below 64s., and gradually falling until at 73s. consumption was permitted on payment of 1s. per quarter.

It is difficult to conceive of a greater degree of vacillation,\* than is here exhibited. At one time exportation is prohibited; and thus the farmer is compelled to exchange his wheat at home, when he might obtain more by sending it abroad—and at another time the mechanic is compelled to contribute towards the payment of a bounty, to induce the farmer to exchange it abroad, and thus keep up its price at home. In neither case is any regard shown for the rights of property.

At the present time foreign competition is prohibited, and the mechanic is not permitted to exchange the products of his labour with the Pole, or the Prussian, or with the people of the United States. He is obliged to give six yards of cloth for the same quantity of wheat that he might have elsewhere for five yards, or perhaps for four. He is restrained in the exercise of his rights of property, and deprived of inducement to exertion. He gives a larger quantity of labour in return for the commodities necessary for his subsistence, and is thus prevented from increasing his capital, and improving his machinery. His labour

\* If the reader be not abundantly satisfied from this statement of the changes in the restrictions upon the trade in grain, of the extreme absurdity, not to speak of the injustice of a community thus regulating the actions of individuals, we think he will be so when informed that calicoes, the production of which now finds employment for so large a portion of the population of Great Britain, and the use of which has added so greatly to their comfort, were, but little more than a century since, *prohibited to be worn*. The avowed purpose was the encouragement of the silk and woollen manufactures. The penalty on the seller was £20, and on the wearer £5.



is thus rendered more severe, while he is restricted in the amount of enjoyment that should result from it.

While almost every commodity produced in Great Britain was protected by heavy duties, or absolute prohibitions, the extent to which in one case, the imposition of taxes was carried, rendered it necessary to prohibit the production of the commodity at home, and thus tobacco, the duty upon which is about 1200 per cent., is forbidden to be cultivated. One restriction thus renders another absolutely necessary.

While the producers of cotton and woollen cloths, and of other commodities, were thus forbidden to *import* foreign silks, gloves, wheat, &c., in exchange for their productions, the producers of other commodities were deprived of the power to *export* them in exchange for any commodities whatsoever, and compelled to dispose of them in the home market, although the value abroad might be twice as great as at home. When certain articles were freed from export duties,

“ Under a mistaken notion of preventing other countries from having raw materials for the purposes of manufacture, alum, lead, lead-ore tin, tanned leather, copperas, coals, wool-cords, white woollen cloths, lapis calaminaris, skins of all sorts, glue, cony-hair or wool, hare’s wool, hair of all sorts, horses, and litharge of lead were excepted ; and export duties, since imposed on British sheep and lambs’ wool, and woollen yarn, are still levied, as well as upon most of the above articles. With notions alike averse to industry, custom-house duties are also levied on coals and culm and slates, carried coastwise.”\*

While foreigners were thus forbidden to purchase commodities of one description, they were bribed to purchase others, and bounties were paid on the exportation of linens.

The right of producing certain commodities is limited to certain individuals or corporations; and thus, in England, the exclusive right of printing Bibles, is enjoyed by the Universities, as well as by the king’s printer; and in Ireland it is monopolized by the king’s printer, and Trinity College, Dublin. In Scotland, the whole is in the hands of the king’s printer, who holds the privilege by patent, and is not only secured in the monopoly, but receives a return of the excise duty of 3*d.* per pound, upon the paper he consumes ! A committee was appointed by the House of Commons, to inquire into the nature and extent

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\* Mundell’s Industrial Situation of Great Britain, p. 120.

of the King's printer's patent, whose report, with the appendix, makes a folio volume of 364 pages !

Among the most important interferences with the rights of property in England, are those which result from the possession of colonies. The United States experience none of these. They have established colonies on a more magnificent scale than any other country whatever, but as they *demand* from the colonists no preferences, they are free from the necessity of *granting* them.

England has pursued a contrary course. Until recently, her colonies were prohibited from exchanging their products except with herself, and this interference with their rights of property rendered it necessary to grant privileges, under which the people of England were, and are, restrained in the exercise of their own rights. The labourer, who has saved as much as is required to build a house, is compelled to use the timber of Canada, because that of Norway is subject to duties that are prohibitory.\* He is compelled to exchange his products with the planters of the British West Indies, who will give him a smaller quantity of sugar therefor than he could obtain from those of St. Croix, or St. Thomas. He is not at liberty to exchange with the people of the United States for flour, even were they willing to give him twice the quantity that could be obtained from his fellow subjects in Canada, whose products are admitted at a nominal rate of duty.

The planters of Jamaica, thus favoured, as it is supposed, with a preference at home, are not permitted to exchange with the people of the United States, but are limited to Great Britain, or to their sister provinces, and thus are compelled to take in return for their sugar much smaller quantities of lumber and of other commodities than they might elsewhere obtain. The effect of this is to render the cost of producing sugar in Jamaica very great, and the people of England, to prevent the planters from being ruined by the system, are compelled to impose restraints upon exchanges with their fellow subjects in India,†

* Import duties on timber—	Foreign countries.	Canada.
Battens, . . . . .	£ 10 0 0	£ 1 0 0
Deals, . . . . .	19 0 0	2 0 0
Masts, . . . . .	0 8 0	0 1 2
Oak plank, . . . . .	4 0 0	0 15 0
Staves, . . . . .	2 6 0	0 4 0

† In 1799, West India sugar paid 20s. per Cwt., while that of India paid 2s. 6d. per Cwt. and £41 16s. 3d. per cent. *ad valorem*. For some years past, the former has paid 27s., and the latter 37s. per Cwt.

in order to prevent the consumers of sugar from obtaining a larger quantity from India in exchange for their commodities than the planters of Jamaica would give them.

Recently, there has been introduced a system that is somewhat more liberal, but there is a constant tendency towards restraining their colonists from exercising freely their rights of property and exchanging with those that will give them most for their products—accompanied by a necessity for granting similar restrictions upon their own exchanges. In 1825, an act was passed, permitting the import into the colonies of many commodities before prohibited, but imposing duties thereon, under which an annual revenue of £75,000 is collected, the cost of collecting which is £68,000.\*

England has incurred immense expenditures in the support of wars carried on for the purpose of increasing the number of her colonies, and every new one has produced some new interference with the rights of property of her own citizens, who have been restrained from exchanging their products with those who would give the largest amount of commodities for them. Without expenditure, and noiselessly, the United States have established fifteen colonies,† containing about six millions of people, and with every year there is an increased feeling of the necessity for abstaining from any interference with the rights of property. In the one case, the extension of colonies has been accompanied by a constant drain of wealth, for the maintainance of their governments and of armies and navies for their protection,‡ while in the other, the colonists themselves pay the expenses of maintaining order and security and their establishment is productive of unmixed good.

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In no case, we believe, is there so great an interference with the rights of property, as in that of the persons owning coal or engaged in the coal trade of Great Britain, and the inconvenience that has resulted therefrom having made it necessary to have a thorough investigation by a committee of the House of Commons,

\* Wakefield, *Public Expenditure*, p. 58.

† Twelve new States, and three Territories.

‡ "The history of the colonies for many years, is that of a series of loss, and of the destruction of capital; and if to the many millions of private capital which have been thus wasted, were added some hundred millions that have been raised by British taxes, and spent on account of the colonies, the total loss to the British public of wealth which the colonies have occasioned, would appear to be quite enormous."—*Parnell*, p. 274.

their report of 1830, consisting of nearly 700 pages, enables us to give a view of the pernicious effects of unceasing attempts at regulation, in waste of labour and of property, and in impertinent interference by the officers of government with the affairs of individuals.

The necessities of the government caused the imposition of a heavy duty upon coal, which is raised exclusively from that which is *sea-borne*, the effect of which is to give advantage equal to the duty, to the owners of all that which is transported to market by land. The duty being paid by all coal of whatever description, except of the *smallest* sizes, the effect is to forbid the shipment of any but that of the best quality, and immense quantities of small coal are annually destroyed, which would otherwise be highly productive to the owners. What is too large to be shipped as small coal, and too small to be shipped as large coal, must either be broken into small sizes, or destroyed. The effect of the immense destruction that is thus caused, is, of course, a great waste of labour in raising coal that is forbidden to be sent to market, and a consequent enhancement in the cost of all that is used.

When ready to be shipped, the owner is not at liberty to select the vessel on board of which he will load it, because, by act of Parliament, all ships must be loaded in their regular turn. If he wish to put it on board his own ship he cannot do so until all that were in port before her have been loaded; and thus a ship owner who maintains in the trade a certain number of vessels, and makes his arrangements for loading them, may have all those arrangements defeated by the arrival of transient ships in search of employment. Under such circumstances he must have high freights to pay him for the risk of delay that is thus caused.

When arrived in London, he is not permitted to employ his own men, but must take certain persons called coal whippers, whose charges are heavy, because of the monopoly which they enjoy. He may not select his place for the disposal of his cargo, but must sell it at the coal exchange, and he *must* have it measured, and not weighed. Even if the owner of the cargo desires to use it himself, he must pass it through the market, and purchase it, incurring the same expense and delay as if he were waiting for a purchaser. The regulations *for the protection of the consumer*, are numerous, but all the evidence goes to prove that every new regulation gives rise to a new imposition, and tends to increase the cost of the commodity before it reaches him. Instead of abolishing all regulations, and leaving individuals to

manage their business in their own way, the committee came to the resolution to substitute one regulation for another, and to *compel* the dealers to sell by weight, a proceeding expressly forbidden by the previous law.

Such are some of the regulations of the domestic coal trade. In the foreign trade, a duty is imposed on its export, and thus the owner of a coal mine is forbidden to exchange his products with the people of Holland, unless upon paying first a duty upon the export of his commodity, and second, a duty upon the import of that obtained in exchange.

We know of no work, the study of which would be more likely to satisfy every reader of the absurdity of thus interfering with the operations of individuals, than the report upon the coal trade. The obvious effect of every regulation is to render the acquisition of fuel by the consumer more difficult, and to enhance its cost, and the effect may be seen in the fact that, notwithstanding the payment of duty and the heavy freight across the Atlantic, English coal is as cheap in New York as in London.

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While the trade with foreign countries has thus been limited, the people of the several portions of Great Britain and Ireland, have not been permitted to exchange freely with each other. Ireland was treated as a foreign country. Duties were imposed in England differing from those of Ireland and Scotland, and a commodity produced in one could not be exchanged for commodities produced in the other, without the payment of further duties. Many of these restrictions have recently been abolished, but some of them still exist.

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In the sale of commodities subject to the payment of an excise, some idea may be formed of the extent of interference with the rights of property, from the following statement. Tea cannot be moved from one place in England to another, without a permit. A dealer is under "the necessity of sending to the excise office, for permits when wanted, the distance in the country being often several miles, while even in town they frequently cannot be had at the moment, and the execution of the order is delayed for another day, or it may be, for a week." He has also to submit to "the loss of time occasioned by the visits of the excise officer, and the actual labour imposed upon him is very considerable, to say nothing of the tormentingly inquisitorial character of the superintendence to which it is subjected." When the officers come to take stock, "the best man in the establishment is taken off for many hours to

attend to them.”\* All the time that is thus lost, and all the inconvenience that is thus endured, must be paid for by the consumer.

Security of property has been little more known, in France, than security of person. For centuries, that country was the theatre of civil wars, and any intermission therein, was marked by the invasion of other countries, with a view to extend the dominion of the sovereign, although he was unable to maintain order and security at home. Wars at home generally forbade the application of labour to production, and during the slight intervals between them in which it might have been applied with some prospect of advantage, the support of foreign wars required the collection of heavy taxes arbitrarily imposed, and large draughts of men.† Internal dissensions ceased with the war of the Fronde, but the monarch, whose power was then, to all appearance, securely established, spent nearly his whole life in the endeavour to extend his dominions, and to place his grandson upon the throne of Spain. The consequence was an immense waste of property and of life, and poverty and wretchedness reigned throughout the kingdom. His successors, not warned by his example, pursued the same course, until arrested by their inability to extort from the people their means of supporting the government in its waste

\* Report on the Tea Trade, by Sir Henry Parnell.

† The following account of the condition of France, in the fifteenth century, is given by Fortescue, and will enable the reader to form an idea of the amount of security afforded by the government, of its cost, and of the condition of the people, at the time when the superior soils were cultivated, and when population was thinly scattered over them. “The inhabitants of France give every year to their king the fourth part of their wines, the growth of that year; every vintner gives the fourth penny of what he makes of his wine by his sale; and all the towns and boroughs pay to the king yearly great sums of money, which are assessed upon them for the expenses of his men of arms. \* \* \* Without any consideration had of these things, other very heavy taxes are assessed yearly upon every village within the kingdom, for the king's service; neither is there ever any intermission or abatement of taxes. \*

\* \* Exposed to these and other calamities, the peasants live in great hardship and misery. Their clothing consists of frocks, or little short jerkins, made of canvas, no better than common sack cloth; they do not wear any woollens, except of the coarsest sort, &c. \* \* \* The women go barefoot, except on holidays. They do not eat flesh, except it be the fat of bacon, and that in very small quantities, with which they make a soup. Of other sorts, either broiled or roasted, they do not so much as taste, unless it be of the inwards and offals of sheep and bullocks, and the like, which are killed for the use of the better sort of people and the merchants. As for their poultry, the soldiers consume them, so that scarce the eggs, slight as they are, are indulged them by way of a dainty. And if it happen that a man is observed to thrive in the world, and become rich, he is presently assessed to the king's tax, proportionably more than his poorer neighbours, whereby he is soon reduced to a level with the rest.”

and extravagance. The revolution followed, with an extensive destruction of the rights of property. Order was restored by Napoleon, but despots have little regard for any rights but those claimed by themselves, and his reign, in its turn, produced a vast waste of life and of property, and France saw her territory twice over-run by the armies of Europe, and her capital twice in their possession.\* The restoration gave some breathing time, but after repeated disturbances, was followed by the revolution of 1830, since which time security has been but partially restored.

The wars of England have produced insecurity to a certain extent, but those of France have gone far beyond them. England has had peace at home, and has carried on war abroad. Although great numbers were employed in carrying muskets, the chief portion of her population was left to pursue quietly their avocations, whereas, nearly the whole people of France have been restrained from production and accumulation. The agriculturist had no inducement to sow, when it was doubtful if he would be permitted to reap. If he made improvements they were likely to be destroyed by armies of his own countrymen, or of foreign invaders. The capitalist feared to engage in manufactures, because he felt no security against arbitrary impositions for the maintenance of wars, foreign or domestic; and his factory might be burned, or converted into a *caserne*, without the hope of redress. He would not apply his capital to the making of roads, or canals, or to the building of bridges, because he could have no certainty that he would be permitted to derive advantage from them. If he engaged in trade, his calculations were liable

\* "From 1803 to 1815, twelve campaigns cost us nearly a million of men, who died in the field of battle, or in the prisons, or on the roads, or in the hospitals, and six thousand millions of francs. At length tired fortune broke the sceptre of our empire, destroyed our confederations, ravished from us the most useful additions to our territory: the departments of Piedmont, of the left bank of the Rhine, of Belgium, of Savoy, &c.

"Two invasions destroyed or consumed, on the soil of old France, fifteen hundred millions of raw products, of manufactures, of houses, of workshops, of machines, and of animals, indispensable to agriculture, to manufactures, or to commerce. As the price of peace, in the name of the alliance, our country has seen herself compelled to pay fifteen hundred additional millions, that she might not too soon regain her well being, her splendour, and her power. Behold, in twelve years, nine thousand millions of francs, (seventeen hundred millions of dollars,) "taken from the productive industry of France and lost for ever. We found ourselves thus dispossessed of all our conquests, and with two hundred thousand strangers encamped on our territory, where they lived, at the expense of our glory and of our fortune, until the end of the year 1818."—*Dupin, Forces Productives, Introduction, p. iv.*

to be falsified, and himself ruined by the outbreak of a civil war, by the commencement of hostilities with some foreign power, or by a simple exercise of authority on the part of the sovereign.\* Insecurity existed every where, and every man that had property deemed it safest to retain it in his immediate possession, rather than endanger its loss, by applying it to improvements in agriculture, or manufactures, or to the extension of commerce.

For centuries, the great object of the sovereigns of France has been the extension of their dominions, and they have added to or diminished their territories, according as the events of war were favourable or adverse. Under such circumstances, security could not exist. The *Alsacien*, or the inhabitant of *Franche Comté*, had no security for the continuance of any system of laws. If he rose subject to the laws of France, he might return to bed subject to those of the empire. If he built a bridge, or made a road, he might, by a change of masters, be deprived of the power to use it. He had no security, and he could not employ his time or his property with advantage.

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The policy of the earlier periods of the monarchy thus described, was accompanied by crimes of the most atrocious character. With the increase of population, security has increased, and the crimes against property, involving punishments of one year's imprisonment or more, amounted, in 1830, to 8,838,† or one in 3,670 of the population. Of the criminals, only three per cent. were foreigners.

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While the insecurity which arises out of the relations of government with individuals, has been vastly greater than in the countries previously noticed, that arising out of the relations between individuals has likewise been and continues to be much greater. Thus when improvements in machinery have been attempted, as in the case of Jacquard already referred to, the machines have been destroyed and the inventors have been happy to escape with life. Similar scenes have been repeated in other departments of France. The recent disturbances at Lyons, the last of which endured ten days, attended with vast destruction of life and of property, arose out of the disputes between masters and workmen.

\* "Even at the present time the king, after having ordered one of his servants, called a prefect, to commit an injustice, has the power of commanding another of his servants, called a councillor of state, to prevent the former from being punished."—*De Tocqueville, Vol. I. p. 147.*

† De Beaumont and De Tocqueville, p. 266.



The long duration of wars, of heavy taxation, and of consequent poverty, has produced an "antipathy for all moral rule, and for all authority,"\* and a jealousy of those possessed of property, which, when not displayed in more serious disturbances, has exhibited itself in incendiary fires, and destruction of property, as in the case of Brittany, in 1830. Thus the action of the government, and that of individuals, has prevented the existence of that security which is indispensable to the profitable application of labour and of capital.

In the recent work of M. Villeneuve, we find statements of the condition of the labourers in parts of France, that indicate extreme poverty, and consequent insecurity of property. Bands of 1,000 or 1,500 workmen traversed the *département de l'Aisne*, demanding assistance, and threatening pillage. At Sedan, it was not uncommon to see the miserable workmen assembled around the persons charged with putting to death sick horses, *waiting to partake of the flesh*. The forests of the State were plundered. Apprehensive of irritating the workmen, deprived as they were of employment and of bread, their employers discontinued their *reunions*, and even visiting was relinquished. It was dangerous for a lady to show herself dressed in the streets.†

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The *right* of the labourer to apply his labours, or of the capitalist to apply his capital, in such manner as he should judge likely to yield him the largest quantity of commodities, has never been recognised in France. Every species of employment has been subject to regulations, and in numerous cases monopolized by the government or individuals. Even at the present time the manufacture of salt and of tobacco, the transport of passengers, &c., are monopolized by the government, which is likewise a manufacturer of porcelain and of tapestry. Not content with a monopoly of the transport of passengers and of letters, a law has recently been passed to secure to the government that of telegraphs.

Where no monopolies existed individuals were not permitted to depart from the system established by the government. In agriculture, there were regulations fixing the soils upon which it was permitted to grow the vine, the grain which it was permitted to cultivate therewith, the distances at which it should be planted, and the height to which it might be permitted to grow.‡ The

\* Chevalier, Vol. I. p. 296.

† *Economie Politique Chretienne*, Vol. I. p. 33.

‡ Chevalier, Vol. II. p. 204.

revolution relieved the nation of many of these restrictions, but even now, in some districts, the period of the gathering of the grape is regulated by authority.\* In others, the commodities that may be cultivated, are fixed by law. Thus, that of tobacco is limited to certain licensed parts of the kingdom, chiefly in Alsace and Picardy. The owner of land is deprived of control over his property, and may not use it in such way as he deems most advantageous.

In manufactures, every operation was subject to regulation. It was stated some years since that the Emperor of China had issued an edict, setting forth that every species of production had now arrived at the highest point of perfection, and that he would not permit any departure from the established system. Absurd as this seems, it is precisely what must have been thought by those who devised the laws of France, which regulated the methods of working, and forbade improvement, under penalty of confiscation.†

\* Redding on Wines, p. 22.

† "Fettered and oppressed in every way, as France was, under her despotic kings, the spirit of invention and enterprise could never rise to those high conceptions which, of late years, have brought England and America to the summit of prosperity. Manufacturers, placed under the severe control of men who purchased their offices from government, and who, therefore, exercised them with rapacity, could not hazard any improvement, without infringing the established regulations, and running the risk of having their goods destroyed, burnt, or confiscated. In every trade, official regulations prescribed to workmen the methods of working, and forbade deviation from them, under pain of the most severe punishments. Ridiculous to say, the framer of these statutes fancied he understood better how to sort and prepare wool, silk, or cotton, to spin threads, to twist and throw them, than workmen brought up to the trade, and whose livelihood depended on their talent.

"To insure a compliance with such absurd regulations, inquisitorial measures were resorted to; the residences of manufacturers were entered by force; their establishments searched and explored, and their modes of working inquired into. Thus their most secret methods were often discovered, and pirated by fraudulent competitors.

"The worthy Roland de la Platiere, who was a minister during some part of the French revolution, and put an end to his life in the reign of terror, gives a deplorable account of the numerous acts of oppression he had witnessed. 'I have seen,' says he, 'eighty, ninety, a hundred pieces of cotton or woollen stuffs cut up and completely destroyed. I have witnessed similar scenes every week for a number of years. I have seen manufactured goods confiscated; heavy fines laid on the manufacturers; some pieces of fabric were burnt in public places, and at the hours of market; others were fixed to the pillory, with the name of the manufacturer inscribed upon them, and he himself was threatened with the pillory, in case of a second offence. All this was done, under my eyes, at Rouen, in conformity with existing regulations, or ministerial orders. What crime deserved so cruel a punishment? Some defects in the materials employed, or in the texture of the fabrics, or even in some of the threads of the warp!'

Restrictions upon the manner of employing capital still abound in every part of France. In the vicinity of the frontiers, the erection of machinery is prohibited, and the inhabitants are condemned to idleness, notwithstanding their earnest remonstrances.\*

"‘I have frequently seen,’ continues Roland, ‘manufacturers visited by a band of satellites, who put all in confusion in their establishments, spread terror in their families, cut the stuff from the frames, tore off the warp from the looms, and carried them away as proofs of infringement; the manufacturers were summoned, tried, and condemned; their goods confiscated; copies of their judgment of confiscation posted up in every public place; future reputation, credit, all was lost and destroyed. And for what offence? Because they had made of worsted, a kind of cloth called *shag*, such as the English used to manufacture, and even sell in France, while the French regulations stated that that kind of cloth should be made with mohair.

"‘I have seen other manufacturers treated in the same way, because they had made camlets of a particular width, used in England and Germany, for which there was a great demand from Spain, Portugal, and other countries, and from several parts of France, while the French regulations prescribed other widths for camlets.’

"‘There was no free town where mechanical invention could find a refuge from the tyranny of the monopolists—no trade but what was clearly and explicitly described by the statutes could be exercised—none but what was included in the privileges of some corporation.

"‘No one could improve on a method, or deviate from the prescribed rules for manufacturing stuffs of cotton, worsted, or silk, without running the risk of being heavily fined, having his frames destroyed, and his manufactured goods burnt in the public place by the hands of the executioner.

"‘Many inventors were forbidden to reduce their inventions into practice, when their application for letters patent was not supported by powerful recommendations, or when they were unable to bid a high price for the good will of the clerks of office.

"‘Some merchants of Nantes and Rennes wished to form, on a new plan, manufactories of wool, silk, and cotton goods. They possessed new preparations for fixing the colours. As soon as the establishment was fitted up, the corporation of serge-makers contested their right of making woollen stuffs, and the corporation of dyers claimed the privilege of dying for them. Law proceedings, carried on for several years, absorbed the capital raised for the purpose of forming a useful establishment, and when at last a favourable decision was obtained, all the resources of the manufacturers were exhausted; thus the serge-makers and dyers succeeded in ruining dangerous competitors!

"‘The art of snarling and varnishing sheet-iron was found out in France in 1761; but to carry it into execution, it was necessary to employ workmen and use tools belonging to several trades; the inventor, not rich enough to pay the fees of admission into the corporations to which those trades belonged, went abroad and formed an establishment in a foreign country.’—*Perpigna on the French Law of Patents.*

\* ‘Government, (says a well informed French gentleman,) will not allow the inhabitants, within a certain distance of the frontier, to erect machinery for commercial purposes; and although the southern districts have complained of this hardship over and over again, to the Chamber of Deputies, by means of their representatives, whom they have latterly elected solely upon condition that they should exert their influence to obtain for them the removal of this grievance, they have never yet been able to succeed in their endeavours. \* \* \* From the great advantages

The capitalist, desirous of applying his means advantageously to himself and his countrymen, finds himself prevented by restrictions on the number of persons permitted to exercise certain trades and professions. Thus in Paris, the number of printers cannot exceed eighty, nor can the butchers exceed four hundred. Throughout the kingdom, the municipal authority may forbid any one to exercise the trade of a baker, without permission, and may even interdict the bakers from selling their bread to retailers.

If the privilege of carrying on any trade, be obtained, the party is not permitted to judge for himself the mode in which he will exercise it. The law determines for him what books he shall keep; it requires him to preserve all letters received, and to make copies of all that he writes, and *to submit his books annually to an examination* by one of the judges of the Tribunal of Commerce, or the Mayor, or his assistant. He is then required to preserve them for ten years.\*

The same system of interference prevails in regard to the development of the natural resources of France. No mine can be worked without the permission of the sovereign, and there are instances of valuable mines remaining unwrought for many years, in consequence of being unable to obtain it.†

The restraints upon the commerce in wood are such as greatly to diminish its value, and *to compel those who require fuel, to steal, because they are not permitted to purchase it.*‡ Even the com-

which we possess, by our situation, enabling us to employ the most extensive machinery—so great is the water power which we could call into requisition—and our vicinity to the market where we procure the raw material, we could afford to sell our produce much cheaper than we can at present do; and we could give constant employment to a number of our countrymen. And this injustice is not confined to our particular district, nor to the article which we manufacture; but *the whole frontier is included in the law which prohibits the erection of machinery; and thus the commercial exertions of the inhabitants of a country, some hundred leagues in length and ten broad, are paralyzed.*—Murray's *Summer in the Pyrenees*.

\* Code de Commerce, Titre 2me. § 8, 9, 11.

† “By the French law, *all minerals of every kind belong to the crown, and the only advantage the proprietor of the soil enjoys, is, to have the refusal of the mine at the rent fixed upon it by the crown surveyors.* There is great difficulty sometimes in even obtaining the leave of the crown to sink a shaft upon the property of the individual who is anxious to undertake the speculation, and to pay the rent usually demanded, a certain portion of the gross product. The Comte Alexander de B——, has been vainly seeking this permission for a lead mine on his estate in Brittany for upwards of ten years.”—*Quarterly Review*, Vol. XXXI. p. 408.

‡ “The old and the new plantations (of pine trees,) are under the superintendence of the two directions for water and forests, and for bridges and highways,

merce in the apparently unimportant article of rags is hemmed in by restrictions.\*

If the right of applying capital to production be thus interfered with, it may well be supposed that the right of exchanging the product is not securely enjoyed. Before the revolution, every province had its custom houses, and smuggling was consequently carried on in every part of the kingdom. Salt was worth three or four times as much in one province as in an adjoining one, owing to the restrictions upon its introduction from the one into the other. The trade in grain was limited by the most absurd restrictions, and the whole kingdom resembled a collection of nations who deemed their interests always opposed, and believed that they could only be enriched by measures that would impoverish their neighbours.

France is now divided into four districts, and the right of importing and exporting grain from one to the other depends upon the average prices for a given period. In England, the manufacturer is prohibited from exchanging with *foreign* producers of corn, but is not restrained in his exchanges with his own countrymen. In France, *the owner of corn in one part of the kingdom is not permitted to exchange it with the maker of cloth in another part, until his neighbours shall have refused to give him a certain price, fixed by law.* The natural consequence of such restriction is that the inducement to exertion is diminished, and production is small. The transport of merchandise is diminished, and the inducement to make good roads does not exist.

Every species of internal trade is limited by the system of *the octroi*, which subjects merchandise to the payment of taxes, on entering the towns and cities of the kingdom.† The farmer cannot bring his potatoes, or his butter—the butcher cannot

and they are so managed that neither *one nor the other can sell even to a ready money purchaser.* Those parts of some young forests which require it, are not even thinned. *The impossibility of purchasing wood, from Sanlac to Verdon, (a country destitute of it,) makes theft and depredation almost a lamentable necessity.*—*Bowring's Second Report, p. 133.*

\* “Rags cannot be conveyed within three leagues of the coast, or of the land frontier, unless they be accompanied with a permit, and destined for the interior; they cannot, either, be deposited in the whole extent of the same radius, under penalty of confiscation; nor be despatched from one part of the kingdom to another, without permission from the minister of Commerce, and a guarantee engagement to pay four times the value, in case of non-delivery at the destined port.”—*Bowring's First Report, p. 43.*

† The octroi on wine, on entering Paris, is 21 francs the hectolitre, being nearly equal to the value of the wine itself.

bring his meat, nor the wood-cutter his wood, without being arrested at the gates of Paris, or of Lyons, by a tax gatherer. In some cases the same town is divided into several parts, and in each there is a different rate of duty on the same commodity.\* In others, the owner of property cannot remove it from one place to another, without paying for permission so to do.† On other occasions he may be restricted from exchanging for commodities essential to his existence, simply by an order of the king.‡

The restraints on domestic exchanges are heavy, but they are far exceeded by those upon all exchanges with foreign nations.

In the Report upon the commercial relations between France and Great Britain, made by the Commissioners, Messrs. Villiers and Bowring, is given a list of restrictions upon the owners of property within the kingdom, who desire to exchange it with the owners of other commodities without the kingdom, and the reasons of the French government for their adoption. Of them the Commissioners say, and with justice,

"It is hardly necessary to remark, that if these reasons for prohibition were pushed to their necessary consequences, all commercial relations would infallibly cease. If the cheapness of a foreign article were a sufficient reason for prohibiting the importation, and the cheap-

\* Lyons is partitioned into four divisions, in which there exist four several rates of octroi, upon wine.

Croix Rousse, francs, 0.85	Vaize, - - francs, 1.50
Guillotière, - - 1.25	Lyons, (within the walls,) 5.50

*Bowring's Second Report, p. 113.*

† Wine and brandy cannot be removed from one place to another, except on payment of 1½ francs per hectolitre. Wine in bottles pays ten francs *on its removal*. Prior to 1830, a duty distinct from the octroi was levied on the entry of all wines and spirituous liquors into Communes the population of which exceeded 1500. There is a further duty on wines and liquors sold by retail, which, since 1830, has been reduced from 15 to 10 per cent. The effect of this system is, that "the common wines which should be in general use, at least in France, are absolutely an article of luxury for the greater part of the residents in our large towns, and even in the country, and are sold at as much as three francs a bottle, in towns where their intrinsic value, if free from duties and other burthens, would not be as much as 50 centimes.—*Address of the Electors of Nismes to the Chamber.*"—*Bowring's Second Report, p. 200.*

‡ An order was "issued by the government, prohibiting the sale of a single ounce of powder in the Pyrenean departments, unless the buyer produced a permit, *written upon stamped paper*, and signed both by the maire and the prefect, authorizing him to purchase it. Even when possessed of this order, the chasseur could not purchase more than half a pound at one time; so that he was obliged to come down from the mountains, lose his time, the fine weather, and his sport, to buy another half pound of powder."—*Murray's Summer in the Pyrenees, Vol. I. p. 282.*

ness of a home article for prohibiting its exportation, no exchange at all could take place.

“Many of the arguments which are put forward in justification of prohibitory measures, are mutually destructive of each other. To keep the price of corn low in the interest of the consumer,\* is assigned as the reason for prohibiting exportation; and to raise the price high in the interest of the producer,† as the reason for prohibiting importation: the two objects are incompatible. Again, one set of prohibitions are justified, because the articles are dear in France—such as the exportation of wood, timber, charcoal, and others: another set of prohibitions are advocated, because the articles are cheap in France—such as the exportation of silk, rags, bark, &c. Reasonings wholly opposed to one another, are, in turn, employed. There is scarcely an argument or calculation, which, if recognised as applying to some articles, is not opposed altogether to the legislation on others.

“It requires merely to state some of the objections to importations, in order to show their narrow and anti-commercial spirit. The introduction of manufactured tin, for example, is opposed because it might benefit England, which is rich in tin mines; as if the importation into France could take place without equally benefiting her. The reasons, too, which are grounded on the superiority of other countries; as, for example, ‘dangerous rivalry’ in the case of manufactured steel; ‘cheapness’ of foreign articles in the case of shipping; threatened ‘annihilation of the French manufacture’ in that of cutlery; ‘extra advantages of the English’ in plated ware; ‘apprehension of the English’ in articles of pottery; imprudence of admitting English saddlery, as so many persons, regardless of price, prefer it; ‘advantages of machinery’ in works of iron; all are modes of announcing the superiority of foreign articles, and the power which foreigners possess of supplying them on cheaper terms than they can be produced at home.

“There are other grounds of prohibition, by which particular French manufactures are avowedly sacrificed to the interest of other branches of French industry. The importation of extracts of dye-woods is disallowed, for the purpose of encouraging the importation of the dye-woods themselves; the interest of the dyer, the manufacturer, and the consumer, being wholly forgotten. The importation of iron of certain sizes is prohibited, *lest small manufacturers should establish fabrics, and supply the market at less cost than the larger establishments.* Woollen yarn is not allowed to be imported, because it can be produced in France, though the high price must be a great detriment

\* That is to prevent the *producer* from obtaining from a foreigner a larger quantity of commodities than his countrymen are willing to give him for it.

† That is to prevent the *consumer* from obtaining from a foreigner a larger quantity than his countrymen will give him for the same quantity of labour.

to the woollen manufacturer ; and cast iron of a great variety of sorts is prohibited, on the ground that a sufficiency may be obtained at home, though the cost is notoriously more than double that of many articles of foreign cast iron. Molasses are not allowed to be introduced, because the price in France is so low, and the exportation so large, on the ground that importation will lower the prices still more, though the lowness of price would obviously make importation unprofitable ; and the fact of considerable exportation is the best evidence that prices are *low* in France. Rock salt was *prohibited* in 1791, and the prohibition is now justified, on the ground that mines *have lately been discovered*. The prohibition of refined sugar is supported on the ground that its admission would not benefit the treasury ; but it is clear, if the interest of the treasury were kept in view, that all prohibitions would be suppressed, or superseded by a system of duties. While some articles are prohibited because the production is small in France, and requires protection, others are prohibited (dressed skins for example), because the production is great, and engages a large number of hands."\*—p. 45.

This description applies in some degree to both England and the United States, and to all countries that adopt the protective system. Wherever that system is carried to the greatest extent, as in France, the amount of injury is greatest.

Having thus, by prohibition, endeavoured to prevent the exportation of various articles of French production that would be required abroad, as well as the importation of various foreign articles that could be introduced with advantage, the next step is to *force* the export of those productions, which, from being higher in France than elsewhere, could not find a market abroad without the aid of government in the form of bounties on export ;

\* The injurious effects of these restrictions upon the productive power of the manufacturers is thus shown.

"The silk manufacturer bears a considerable burthen of local taxation, and is interfered by many trade regulations, which are very unfriendly to the development of his capabilities. Many of the articles he employs in his manufacture, if of foreign origin, are either wholly prohibited, or so heavily loaded with duties, as to be effectually denied to him. The cotton twist and woollen yarn of England are entirely excluded. The long wool of England is visited with a duty of 33 per cent., and they are both materials of the greatest importance to him. He buys his iron at 150 or 200 per cent. advance on English prices ; his fuel at an enormous advance ; and he has to contend with the difficulties of an anti-commercial system for his returns. There are few countries from whence he can import goods in payment for his exports ; as the French commercial policy has loaded all articles, not the produce of her colonies, with intolerable imposts. If he wants Indigo from England, he must pay two freights ; so must he if he desires to purchase East India or Chinese silk in the British market. In fact, at every step there is some impediment in the way of his success, which has been created for the benefit of some partial interest or other."—*Bowring's Second Report*, p. 30.



the effect of which is to compel those who employ their labour and capital profitably, to pay taxes for the maintenance of those who employ them unprofitably. That system was commenced soon after the close of the war, and in 1817, the whole amount paid was £3,500 sterling, but in 1830, it had advanced to £600,000, or *one fifth of the whole revenue from duties*. The table of premiums for 1832 showed it still increasing, having amounted in that year to *nearly a million sterling*, or ONE FOURTH OF THE WHOLE CUSTOM HOUSE REVENUE. The increase on the premiums of 1831, was about 50 per cent., and *in that of sugar alone, seven millions of francs*, the amount paid as bounty on the export of *15½ millions of kilogrammes of refined sugar, being 18½ millions of francs*, while the import duty received upon *82½ millions*, was *only 39½ millions of francs*, a little more than double the bounty.\*

On the import of molasses, in 1830, the duty received was 972 francs, and the bounty paid on export was 787,988 francs.

The cost of premiums granted to the whale fishery, amounted in 1830, to 1142.80 francs per man, but there were several claims unsettled, which the minister said would bring the amount to 1500 or 1600 francs! In addition to this there was a bounty of 180 francs per ton!

In the cod fishery, 12,000 seamen are encouraged at an expense of *four millions of francs*!

\* To show how steady is the growth of such a system, the following statements are given:

	Kilogrammes.		Francs.
In 1830—Sugar imported	69,626,936	duty	33,535,174
exported	8,410,780	bounty	10,101,678
In 1831—Sugar imported	81,735,374	duty	39,264,743
exported	9,679,034	bounty	11,614,840
In 1832—Sugar imported	82,500,000	duty	39,500,000
exported	15,500,000	bounty	18,500,000

If the whole quantity imported were exported, the government would pay, after allowing for the loss on refining it, nearly double what was received, and the whole difference would require to be paid by the producers of wines, silks, &c.

	Kilogrammes.		Francs.
In 1830—Cotton imported	29,260,433	duty	6,334,070
goods exported	1,795,008	bounty	851,294
In 1831—Cotton imported	28,229,487	duty	6,020,443
exported	1,979,199	bounty	978,300

The bounty on the export of woollens is four times as great as the duty on the import of wool.

	Kilogrammes.		Francs.
In 1830—Wool imported, about	8,000,000	duty	4,246,021
Woollens exported	955,617	bounty	1,970,659
In 1831—Wool imported	3,836,207	duty	1,733,002
Woollens exported	1,039,257	bounty	2,496,728

Here we see, on the one hand, the rights of property sacrificed for the purpose of raising a large revenue to be expended in inducing the people of France to engage in pursuits that would be unprofitable to the individuals, if the nation did not pay a part of the expense; while, on the other hand, an individual is desirous to employ his time and capital in working his mines, and thus be enabled to pay a rent to the state, and is refused permission so to do. This is a fair specimen of the whole system. By brevets and monopolies of every kind the government forbids the people from engaging in pursuits that are profitable, while by the offer of bounties it seduces them to others that are unprofitable, and compels the producer of silk and wine to pay the loss that is incurred.

The colonial system of France is the worst that now exists. The nation is compelled to pay high prices for the products of colonies that cost immense sums to keep, and afterwards enormous bounties to induce other nations to assist in their consumption. It is estimated by Messrs. Villiers and Bowring, that the colonies of France, few as they are, have cost since the peace not less than *forty millions of pounds sterling*.

In a Report to the Chambers, by the director general of the customs, January, 1822, after stating that neither the colonists nor the shipping interest could obtain any profit, he arrives at the conclusion that, "*unless the colonists find profit, and unless the shipping interest find profit, they have a right to demand profit from the mother country,*" and therefore the price of sugars "*must be increased by legislative measures.*"\*

The price of colonial sugar in France, is estimated, without duty, at 80 francs per 100 kilogrammes, or, with duty, at 129½, equal to about 56 francs, or \$14 40, per cwt. The consequence of this excessive charge is that the people are driven to make it at home, and beet sugar, of which, in 1829, only four millions of kilogrammes were made, had risen, in 1836, to forty millions. The consumption of sugar is declared to be "the privilege only of the class in easy circumstances, which class absorbs for itself alone three hundred millions of kilogrammes, while the rest of the population are entire strangers to its use."†

The colonies now existing cannot be maintained except at the expense of the people of France. In the endeavour to maintain them, the people are loaded with taxation and with restric-

\* Bowring's First Report, p. 66.

† M. Delaunay, of Havre, quoted in Edinburgh Review, No. 131.

tions which forbid the accumulation of capital, the making of roads and canals, the extension of cultivation, and the erection of manufactories. To remedy these evils it is proposed to add another colony on the coast of Africa, which now costs about seven millions of dollars per annum,\* and which affords indifferent food to a few settlers,† obtained at the cost of insecurity and discomfort. Yet this colony is looked to as likely to afford a drain for what is deemed to be her surplus population.‡

The people are not permitted to apply their own capital to improve their means of communication, even when so disposed. If a company be formed to make a rail road or canal, the government will not authorize its construction until all the plans and estimates are submitted for inspection, that it may be satisfied that the people are not about to waste their capital—as if they were not as good judges thereof as the king or his cabinet.

This system of centralization tends greatly to cramp the energies of the country. M. Dupin says, that not a bridge can be repaired without permission from the central board at Paris. A report must first be made from the commune to the arrondissement, thence to the department, and thence to Paris, where it sleeps a year or two, and by the time the order returns through the same channels, the bridge requires to be rebuilt, instead of being repaired. Every thing, indeed, is done to prevent improvement in France, and we see its consequences in the limited amount of production.

\* "France is, at this moment, paying nearly a million and a half sterling a year for the right of maintaining 27,000 soldiers on the coast, who are decimated every year, and who, with their block houses, occupy a few miles of territory around Algiers, Oran, and Bonn."—*Campbell's Letters from the South*.

† "Almost ninety-nine in a hundred of the settlers are forced to get their immediate livelihood by raising grain and vegetables, which very poorly repay the expense of cultivation."—*Ibid*.

‡ "Dans un système de colonization comme on l'a fait, en apparence, adopter le gouvernement, ce n'est, comme je l'ai dit, ni vingt, ni trente mille hommes qu'il faut, mais cent mille hommes; et cela avec une dépense qui, indépendamment de la dépense militaire, se compterait par dizaines de millions, seulement pour disposer complètement de la Métidja, et la laisser vacante aux soixante mille colons dont on a parlé; venant d'ou, s'établissant avec quoi, c'est ce qu'on ne dit pas."—*Alger in 1830, par M. Pichon, quoted in Westminster Review, Vol. XLIX. p. 239.*

What has occurred since the time of M. Pichon abundantly confirms the correctness of his views. Eight years have since elapsed, and after an immense expenditure of capital and of lives, France has obtained the control of a territory that is totally valueless. The same expenditure would have covered her own territory with rail roads.

Production is, in fact, overlaid by regulation. No man is supposed capable of managing his own property. The minister with one hand pays the clergy, and with the other the actors and actresses of the Theatre Français. With one eye he examines the details of a rail road or of a canal, to determine if he will permit individuals to risk their own capital in its construction, and with the other those of the engagements of the singers of the Académie Royale de Musique. On one side he directs the butchers, bakers, and sausage makers, and on the other the workmen in the tapestry, porcelain, and tobacco factories of the government. At one moment he issues an order to a marshal of France, commanding armies in Spain or in Africa, while at another he grants or refuses *congé* to a *danseuse*. On one day he orders an analysis of mineral waters; on another the establishment of a veterinary school, or of a depot of stallions;\* on the third he superintends the education of the whole people of France: on a fourth he determines the necessary restraint to be laid on the commerce in food;† on a fifth he inquires into the propriety of permitting an individual to work his own mines: and on the sixth he is engaged in examining the accounts of a great salt manufactory, appoints a president to the Bank of France, or a mayor for a commune, of which 37,000 hold their offices at his pleasure. Nothing is so elevated that his powers cannot reach it: nothing so low that he cannot stoop to it. The Almanach Royale de France consists of one thousand large pages, and is chiefly occupied by lists of the various persons employed by the government in carrying into effect the system of managing the whole business of the nation, and nothing can be done without their knowledge and approbation. Franklin wrote "Rules for reducing a great empire to a small one." The French

\* "The Budget of the Minister of the Interior shows a sum of 1,800,000 francs, (\$360,000,) for the service of the two *haras* of *du Pin* and *de Rosiere*, and for that of twenty-six depots of stallions."—*Dupin, t. I. p. 113.*

† The following paragraph gives a view of the effect of restrictions upon the commerce in food.

"It would appear, from an order forwarded to the outports of France, that the late harvest has proved most abundant. The Minister of Commerce, under date the 20th September, 1837, has directed an increase of the import duty on foreign grain, to the extent of 1½ franc per 100 litres, (or 10d. sterling per bushel.) On the other hand, a riot took place at Portrieux, in Lower Brittany, in consequence of an attempt of the people to prevent the shipping of cattle for England."

The minister thus restrains the people of France from *purchasing* grain abroad, and mobs interfere to prevent the *sale* of animal food to foreigners. The first is apprehensive that the consumer may obtain food too cheap, while the latter apprehends that it may be too dear.

authorities do not carry their views so far, but confine themselves to preventing a great nation from becoming a greater one.\*

The effect of these regulations and restrictions, bounties and prohibitions, is well described by the vine-growers in their memorandum to the French Chambers.

“La ruine d'un des plus importantes départements de la France ; le détresse des départements circonvoisins ; le déperissement général du Midi ; une immense population attaquée dans ses moyens d'existence ; un capital énorme compromis ; la perspective de ne pouvoir prélever l'impôt sur notre sol appauvri et dépouillé ; un préjudice immense pour tous les départements dont nous sommes tributaires ; un décroissement rapide dans celles de nos consommations qui profitent au Nord ; la stagnation générale du commerce, avec tous les désastres qu'elle entraîne ; toutes les pertes qu'elle produit, et tous les dommages en matériels, en politiques, en moraux, qui en sont l'inévitable suite ; enfin l'anéantissement de plus en plus irréparable de tous nos anciens rapports commerciaux ; les autres peuples s'enrichissant de nos pertes, et développant leur système commerciale sur les débris du notre.

“Tels sont les fruits amers du système dont nous avons été les principales victimes.”

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In Hindostan, the Mahomedan sovereigns claimed to be owners of the land, and to demand as rent such amount as they might judge expedient. The object of every chief was his own aggrandizement, and to attain that object, it was necessary to extract from the people as large a portion of their earnings as possible. The rights of property, so far as related to the enjoyment of the proceeds of labour, were unknown.† The effect of the system we have already, in part, shown in the previous chapter.

The Company succeeded to all the rights and privileges of the sovereigns, and has not failed to avail itself of them to the full

\* “The leading vice of the old French monarchy was in good intention ill directed, by a restless desire of governing too much. The hand of authority was seen in every thing, and in every place ; and what begins in officious universal interference always ends in contemptible imbecility.”—*Burke*.

It would be impossible to describe the action of the French government of the present day more accurately than by thus taking *Burke's* description of half a century since. The power of production is destroyed by a system having for its object the promotion of industry, but which endeavours to secure that object by perpetual interference with the rights of person and property.

† “If the subjects of a despotic power are every where miserable, the miseries of the people of Indostan are multiplied by the incapacity of the power to control the vast extent of its dominion ; and thus the contumacy of vicegerents resisting their sovereigns, or battling among themselves, is continually productive of such scenes of bloodshed, and of such deplorable devastations, as no other nation in the universe is subject to.”—*Orme on the Government and People of Indostan*, p. 309.

extent, and not unfrequently has gone far, very far, beyond the demands of the most oppressive of the native princes.\* The adventurers, Clive, Hastings, and others, who were intrusted with the control of affairs, endeavoured to fulfil the extravagant expectations of their employers, now become masters of an empire so famed for wealth, and they omitted no means necessary for that purpose, or for enriching themselves. Every mode of arbitrary exaction was practised. A larger revenue was raised than had ever been paid to the mogul. During the famine of 1770, when one third of the inhabitants perished, and multitudes fled into other districts, *the unfortunate people who remained were compelled to pay the taxes upon the lands of those who had perished or fled.* Under these exactions, Bengal, which had become somewhat prosperous, was reduced almost to a desert.†

It would occupy too much space to give an account of the several modes of collection adopted in that country, and distinguished by the names of Zemindary, Ryotwar, and Mouzawar settlements. The meaning and intent of all are the same, being to take from the unfortunate cultivator every farthing that can be squeezed out of him, leaving him in no case more than is necessary to support life. In the first the collector is the Zemindar, a farmer general, responsible for the amount assessed, and at liberty to extract for his own benefit, the largest possible sum from the cultivator; in the second the collection is made directly from the Ryot or labourer, and in the third the settlement is made with the village collectively.

In order that the reader may understand the mode of assessing taxes in that country, the following instructions to the assessors under the Ryotwar settlement are given :

“The cultivated lands were ordered to be classed into dry, wet, and garden lands; each was then to be measured field by field, and marked 1, 2, 3, &c. Each field to consist of as much land as could be cultivated by one plough, and the boundaries thereof to be marked and fixed by the surveyors. No deduction was to be allowed for land in a field shaded by *productive* trees; but for the land shaded by *unpro-*

\* “The revenue of Canara was £98,649, but was raised in the last century to £125,602. Tippoo succeeded in extracting £179,045 from his unfortunate subjects in that district, and the Company, upon obtaining possession thereof, raised it to £186,059.”—*Rickards's India, Vol. II. p. 259.*

† “Swarms of harpies were thus spread in every direction, even to the mundils and potails of the villages; and despotism, established, as it were, in detail in every corner of the land. Power was here a license to plunder and oppress. The rod of oppression was literally omnipresent; neither persons nor property were secure against its persevering and vexatious intrusions.”—*Rickards, Vol. I. p. 255.*

*ductive* trees, a deduction was made. Forts, suburbs, open villages, court-yards of houses, with the number and species of trees in each, banks of tanks, rivers, nullahs, ravines, hillocks, roads, barren lands, wells, salt mounds, and topes or groves, with the number and species of trees in each, were all required to be particularized. In Palmira topes or groves, the trees were ordered to be classed into male and female; young, productive, and old or past bearing. The same was to be done in garden lands generally, taking care to notice the number of plants of young trees, and to specify whether they are cocoa-nut, soopari, tamarind, jamoon, lime, orange, &c., and likewise to enter all plantations of betel, sugar-cane, tobacco, red pepper, &c.”\*

Under the Zemindary settlement, made by Lord Cornwallis, in the division of the produce of estates assigned to them, it was fixed, or rather estimated, that after deducting the expense of collecting, *one half or two fifths of the gross produce should be left to the Ryots*, the remainder constituting the rent of the state, except one eleventh to the Zemindars. That settlement was permanent, and when made, upon an arbitrary valuation of the product, the assessments were so high that nearly all the Zemindars were ruined. Some idea may be formed of the great amount of taxes, and the consequent low value of property, from the fact that in 1799, ten years after the settlement, lands were sold in every province, the taxes upon which amounted to 777,965 rupees, and produced at the sale 654,215 rupees, *not even one year's purchase of the taxes*. The Zemindars having been ruined and their property in those estates sold, the present proprietors, who purchased at reduced prices, have become rich, and enjoy the privilege of assessing the same amount of contributions upon the labourer as is possessed by the company.

In other provinces in which the Zemindary settlement was made, there was not even the advantage of its being perpetual. It was fixed for five years, and is still raised at the end of each term. In the year 1807-8, the revenue from those provinces was 24,147,475 rupees. In 1818-19, it was 35,214,150. The *excess* of taxation in twelve years, above that of 1807-8, was 80 millions of rupees, or 40 millions of dollars. The *amount* of taxation was 313 millions, being an average of 26 millions per annum from these provinces alone.† Under the other settlements the company are not bound by any fixed rent, *the only limit being the possibility of collection*.

“In the despatches of the Court of Directors to their governments

\* Rickards, Vol. I. p. 454.

† Rickards, Vol. I. p. 401.



abroad, anxiety is uniformly expressed, *lest their right to participate, according to usage, in the annual produce of the lands, should be either limited or infringed.* From the commencement of the present century, more especially, it has constituted their main objections to the Zemindary settlement. Looking, as they naturally do, to the land revenues of India as the only source from whence the public exigencies can be supplied, they have always dreaded a fixed Jumma [tax] in perpetuity, as debarring them from the means of increased supply, in the event of future exigencies requiring it. The Ryotwar system has accordingly been preferred, because no bounds are unalterably affixed to the amount of the land tax; and because, (as they say,) it provides for their moderate participation with the proprietors, at stated intervals, in the growing improvement, or extended cultivation of the country.\*

*Any improvement in cultivation produces an immediate increase of taxation,* so that any exertion on the part of the cultivator would benefit the company, and not himself. One half of the *gross produce*† may be assumed as the average annual rent, although in many cases it greatly exceeds that proportion. The Madras Revenue Board, May 17th, 1817, stated that “the conversion of the government share of the produce (of lands) is in some districts as high as 60 or 70 per cent. of the whole.”‡

It might be supposed, that having taken so large a share of the gross produce, the cultivator would be permitted to exist on the remainder, but not so. Mr. Rickards gives§ a list of sixty other taxes, invented by the sovereigns, or their agents, many of which he states to exist at the present day. Those who have any other mode of employing either capital or labour, in addition to the cultivation of their patches of land, as is very frequently the case, they are subject to the following taxes, the principle of which is described as *excellent* by one of the collectors, December 1st, 1812.

“The Veasabuddy, or tax on merchants, traders, and shopkeepers; Mohturfa, or tax on weavers, cotton cleaners, shepherds, goldsmiths, braziers, ironsmiths, carpenters, stone-cutters, &c., and Bazeebab, consisting of smaller taxes *annually rented out to the highest bidder.* *The renter was thus constituted a petty chieftain, with power to exact fees at marriages, religious ceremonies; to inquire into and fine the misconduct of females in families, and other misdemeanours; and in the exercise of*

\* Rickards, Vol. I. p. 609.

† Col. Sykes states the proportion collected in the Deccan as much less than is above given. In a subsequent chapter we shall give his views, with some remarks thereon.

‡ Rickards, Vol. I. p. 288.

§ Vol. II. p. 218.



their privileges, would often urge the plea of engagements to the Cirkar, (government,) to justify extortion. The details of these taxes are too long to be given in this place. The reader, however, may judge of the operation and character of all, by the following selection of one, as described in the collector's report: 'The mode of settling the Mohturfa on looms hitherto has been very minute; *every circumstance of the weaver's family is considered, the number of days which he devotes to his loom, the number of his children, the assistance which he receives from them, and the number and quality of the pieces which he can turn out in a month or year, so that let him exert himself as he will, his industry will always be taxed to the highest degree.*' This mode always leads to such details, that the government servants cannot enter into it, and the assessment of the tax is, in consequence, left a great deal too much to the Curnums of the villages. *No weaver can possibly know what he is to pay to the Cirkar, till the demand come to be made for his having exerted himself through the year; and having turned out one or two pieces of cloth more than he did the year before, though his family and looms have been the same, is made a ground for his being charged a higher Mohturfa, and at last, instead of a professional, it becomes a real income tax.*"\*

The following will show that no mode of employing capital is allowed to escape the notice of the tax gatherer.

"The reader will, perhaps, better judge of the inquisitorial nature of one of these surveys, or pymashees, as they are termed in Malabar, by knowing that upwards of seventy different kinds of buildings—the houses, shops, or warehouses, of different castes and professions—were ordered to be entered in the survey accounts; besides the following 'implements of professions' which were usually assessed to the public revenue, viz:

"Oil-mills, iron manufactory, toddy-drawer's stills, potter's kiln, washerman's stone, goldsmith's tools, sawyer's saw, toddy-drawer's knives, fishing-nets, barber's hone, blacksmith's anvils, pack bullocks, cocoa-nut safe, small fishing-boats, cotton-beater's bow, carpenter's tools, large fishing-boats, looms, salt storehouse."†

"If the landlord objected to the assessment on trees as old and past bearing, they were, one and all, ordered to be cut down, *nothing being allowed to stand that did not pay revenue to the state.* To judge of this order, it should be mentioned that the trees are valuable, and commonly used for building, in Malabar. *To fell all the timber of a man's estate when no demand existed for it in the market, and merely because its stream of revenue had been drained, is an odd way of conferring benefits and protecting property.*"‡

"Having myself been principal collector of Malabar, and made,

\* Rickards, Vol. I. p. 500.

† Ibid. p. 559.

‡ Ibid. p. 558.

during my residence in the province, minute inquiries into the produce and assessments of lands, I was enabled to ascertain beyond all doubt, and to satisfy the revenue board at Madras, that in the former survey of the province which led to the rebellion, lands and produce were inserted in the pretended survey account, which absolutely did not exist, while other lands were *assessed to the revenue at more than their actual produce.*"\*

Mr. Rickards gives † a detailed statement of the produce of an estate in Malabar, for a period of ten years, from 1815 to 1824, for the correctness of which he vouches :

	Rupees.		
The total produce, was	-	-	8167 1 4
Revenue,	-	-	6423 4 10
<hr/>			
Landlord's share, and expenses of cultivation,	-	-	1743 1 94
<hr/>			
In 1824 there was a new assessment upon the betel and cocoa-nuts, and jack-trees, amounting to	-	-	680 1 44
While the gross produce was	-	-	599 0 74
<hr/>			
The assessment exceeded the produce by	-	-	81 0 74
<hr/>			

By the following remarks, extracted from *letters of the Revenue Board at Madras*, it will be seen that in the Ryotwar settlement, where every cultivator is separately liable for his own taxes, *he is also bound for the payment of those of his neighbour*, in case of failure. It would almost appear that the object of those who devised such a system of revenue was to deprive man of every possible inducement to exertion. "*Lasciate ogni speranza, o voi ch'entrate!*" would be as appropriate an inscription over India as over the infernal regions, and an Indian Dante would perhaps so apply it.

"This last mentioned rule of the Ryotwar system, which is to make good the failure of unsuccessful Ryots, imposing an extra assessment, not exceeding ten per cent., upon their more fortunate neighbours in the same village, and even occasionally upon those of the villages in the vicinity, was found to be indispensable to the security of the revenue under that system. *The little profit accruing to the industrious Ryots was thus taken by the state, to remunerate it for the losses it sustained from the failure of the less fortunate or more extravagant*, and while the Ryotwar system dissolved the unity of interest, and the joint partnership in profit and loss, which formerly existed in each village community in all the provinces east of the Ghauts, and was so

\* Rickards, Vol. I. p. 558.

† Vol. I. p. 561.

beneficial both to the members of its own municipal body, and to the government, it, in fact, admitted that their joint responsibility was necessary for the security of the public revenue, and precluding the Ryots from an equal participation of the profit, most unjustly obliged them to share jointly the loss.”\*

To this system is very properly attributed by the Board, the decline of agriculture.

“To the practice of loading the lowly assessed or industrious Ryot with the tax of his less fortunate or more improvident neighbour, (condemned by the very officer who adopted it, as both impolitic and unjust,) to the *consumption of a maximum standard of assessment much beyond the capability of the country, even at the period of its greatest prosperity*, to the gradual approximation made to this high standard in the actual demand on more than half the landed property in Canara, and to the *annual variation and consequent uncertainty in the amount of this assessment* on individual Ryots, as much as to any temporary reduced value of produce, or the imposition of new indirect taxes, are to be ascribed the *decline in agriculture, the poverty among the Ryots, the increased sale of landed property by the landlords, the difficulty of realizing the collections, and the necessity, before unknown, of disposing of defaulters’ lands, in satisfaction of revenue demands which, after fourteen years residence in Canara, at length constrained the late collector to record his conviction, that the present assessment is beyond the resources of the province.*”

In the enforcement of this system of revenue, the number of persons “dressed in a little brief authority,” is almost endless, and the unfortunate cultivator is almost entirely at their mercy. Governor Verelst’s account, in 1769, of the conduct of Zemindars, is one which subsequent investigations have fully confirmed. He says, “the truth cannot be doubted, *that the poor and industrious tenant is taxed by the Zemindar, or collector, for every extravagance that avarice and ambition, pride, vanity, or intemperance may lead him into, over and above what is generally deemed the established rent of his lands.*† If he is to be married, a child

\* Vol. I. p. 486.

† Rickards, Vol. II. p. 263.

‡ “The judicial tribunals afforded no refuge to the oppressed; they were rather instruments of tyranny, by which the unhappy people were plundered under the forms of law. *Avarice is the reigning vice of Hindostan, and power is used by all public functionaries as the means of its gratification.* The havildar, the head of a village, calls his habitation the durbar, and plunders of their meal and roots the wretches within his jurisdiction; the Zemindar fleeces him of the small pittance which his penurious tyranny has scraped together; the phoosdar, a military commandant of the province, seizes on the Zemindar’s collections, and bribes the nabob’s connivance in his villainies by a share of the spoil; the covetous eye of the nabob ranges over his dominions for prey, and employs the plunder of his subjects in bribing or in resisting his superiors.”—Orme on the Government and People of Indostan.

born, honours conferred, luxury indulged, nuzzerana (presents,) or fines exacted, even for his own misconduct; all must be paid by the Ryot, and what heightens the distressful scene, the more opulent, who can better obtain redress for imposition, escape, while the weaker are obliged to submit.\* Since the permanent settlement, the Zemindars have not failed to do their share towards the destruction of the rights of all those under them, as will be seen by the following extract from Lord Moira, afterwards Marquis of Hastings, September, 1815.

“Within the circle of the perpetual settlement, the situation of this unfortunate class is yet more desperate; and though their cries for redress may have been stifled in many districts, by perceiving a uniform indisposition to attempt relieving them, which results from the difficulty of the operation, their sufferings on that account have not been less acute.† In Burdwan, in Behar, in Cawnpore, and indeed wherever

\* Rickards, Vol. II. p. 59.

† In a report by the Judge of Moorsshedabad, 1st August, 1810, it is stated, that—

“The Zemindar, his farmers, and Amlah, (officers of government collectively), of all denominations, abuse the powers with which they are vested, to exact from the Ryot to the utmost extent of his ability. He is thus often deprived of the means of complaint; and this system, carried on from year to year, reduces the Ryot to the extremes of poverty, frequently the cause of the commission of crimes; *not, it is to be hoped, from any inherent depravity, but driven thereto by necessity*, to obtain a precarious and insecure subsistence.—Rickards, Vol. II. p. 64.

The magistrate of Dinagepore, under date of July 24th, 1810, describes the state of affairs as

“A general system of rack-renting, hard-heartedness, and exactions, through farmers, under farmers, Kutkeenadars, (under tenants,) and the whole host of Zemindary Amlah. Even this rack-renting is unfairly managed. *We have no regular leases executed between the Zemindar and his tenants.* We do not find a mutual consent and unrestrained negotiation in their bargains. Nothing like it; but instead, we hear of nothing but *arbitrary demands enforced by stocks, duress of all sorts, and battery of their persons.*”—Vol. II. p. 65.

The collector of Rajeshahye, August, 1811, says :

“The Zemindar's only security for the possession of his estate being the punctual discharge of the government revenue, to screw this out of the wretched cultivators is his first consideration. With his miserable pittance of one eleventh, the under-tenants, farmers, Ryots, and all the Amlah together, are then left to fight and scramble for the remainder of the produce.”—Vol. II. p. 68.

The following statements are furnished by the magistrate of Rungpore :

“One of them, Rajchunder Chowdry, bought a house at Rungpore, which cost 4100 rupees, (£512). It is a notorious fact, that Rajchunder Chowdry collected from the Ryots of his estate, to defray this expense, no less a sum than 11,000 rupees, (£1375), under the bold item of Delan Kurchu, (house or hall money.) The same Zemindar expended 1200 rupees, (£150) on the ceremonies attending the birth of his grandson, and collected from his Ryots 5000 rupees, (£625) on this account. Another Zemindar, Sudasheb Raee, had his house burnt down. He imposed an addition on the rent-roll of his estate to defray the expenses of rebuilding it; but having once established the exaction, it outlived the case, and became a permanent

there may have existed extensive landed property at the mercy of individuals, (whether in farm or Jaghire, in Talook, or in Zemindary,) of the higher class, complaints of the village Zemindars have crowded in upon me without number, and I had only the mortification of finding that the existing system established by the legislature, left me without the means of pointing out to the complainants any mode in which they might hope to obtain redress. In all these towns, from what I could observe, *the class of village proprietors appeared to be in a train of annihilation, and unless a remedy is speedily applied, the class will soon be extinct.* Indeed, I fear that any remedy that would be proposed, would, even now, come too late to be of any effect in the states of Bengal, *for the license of twenty years, which has been left to the Zemindars of that province, will have given them the power, and they never wanted the inclination to extinguish the rights of this class, so that no remnants of them will soon be discoverable.*"\*

Under such an oppressive weight, it cannot be a matter of surprise, that vast quantities of land have been relinquished, from the

addition to the former rent, under the title of Ghur Buraee, (house-building.)"—*Vol. II. p. 72.*

"Sudasheb Raee celebrated a festival, which lasted three months, and cost him 20,000 rupees, (£2,500); all of which fell on the tenantry of his estate.

"Jyram Baboo, a man of boundless extravagance, used to visit in great pomp, annually, the villages of his estate, levying contributions as he went along, under the name of Mangun or Bhukha, which literally means begging. 'I am unprepared, (says the Judge,) to state the amount of the collections thus made; the mode in which they are levied bids defiance to all inquiry. Lest, however, it should be thought that this practice is confined to one instance, I beg to observe, that this is the most general of all the modes of illegal exactions practised in Rungpore.'"—*Vol. II. p. 73.*

"Moonshee Himayutoollah, once Serishtadar of the judge's court, and late Dewan of the collectorship, bought a very large estate in Dinagapore. In a visit of ceremony to his new tenants, he collected from them in Mangun contributions a full moiety of the purchase money. Himayutoollah had also occasion to buy an elephant, and exacted the cost, 500 rupees, (£62 10s.) from his Ryots, it being 'as essential to their respectability as his own, that he should no longer mount the back of so mean a quadruped as a horse.'

"Another Zemindar, Raee Danishnund Niteeanund, has very extensive estates in Rungpore, Dinagapore, and Moorshedabad. On his Rungpore estate alone, he pays revenue to government of 69,742 rupees, (£8,742,) and collects a cess on his tenants of one Anna in the rupee, or 4,358 rupees per annum, (£544,) to defray the expense of daily offerings to his idol, or household god, Bunwaree.

"The above, (adds the judge,) are but a few of the many practical proofs which may be adduced, in support of what I have advanced relative to the state of the Ryot in Rungpore." Every extra expense, and every religious or superstitious ceremony is paid for by the defenceless Ryot. 'Not a child can be born, not a head religiously shaved, not a son married, not a daughter given in marriage, not even one of the tyrannical fraternity dies, without an immediate visitation of calamity upon the Ryot. Whether the occasion be joyful or sad in its effects, it is, to the cultivator, alike mournful and calamitous.'"—*Rickards, Vol. II. p. 74.*

\* Rickards, Vol. I. p. 564.

absolute impossibility of paying taxes: the land not being worth a single year's assessment. From 1813-14, to 1817-18, a large increase of *jumma* was made in Rohilcund, Bareilly, and Shah-jehanpore, but in attempting to collect it,

"It is officially certified that the owners of estates, the annual *jumma* of which amounted to 1,500,000 rupees, (750,000 dollars,) had, in despair, *abandoned their property, from utter inability to pay their over assessment.*"\*

The following are extracts from a Revenue letter to Bengal, from the Court of Directors, dated August 1, 1821, quoted by Mr. Rickards.†

"The present assessment, he affirms, is not too high; yet he says, that the '*Jumma (tax) of estates resigned (that is which their owners have relinquished rather than undertake to pay this assessment,) amounts to nearly six lacs, (£600,000,) or more than one fifth of the whole.*'"

"*The resignations in Bareilly are upon a similar scale, amounting to near five lacs, (£500,000,) of rupees. In Shahjehanpore, the proportion of estates resigned appears to be much the same as in Bareilly, and for the same reasons.*"

It is a common saying of the Ryots, that "their skins only are left them," and the reader may perhaps be already disposed to believe it; but he has by no means reached the end of the oppressions of this unfortunate people. Thus far we have dealt only with *direct* taxation, carried so far, it is true, that it would appear almost impossible to find any means of collecting *indirect* taxes, which, nevertheless, is done. The following extract from the fifth report of the select committee of the House of Commons, will show the nature of the indirect taxation, uniting all that is injurious in the French octroi, and the Spanish alcabala.

"In addition to the assessment on the lands, or the shares of their produce received from the inhabitants, they were subject to the duties levied on the inland trade, which were collected by the renters under the Zemindars. *These duties, which went by the name of Sayer, as they extended to grain, cattle, salt, and all the other necessities of life, passing through the country, and were collected by corrupt, partial, and extortionate agents, produced the worst effects on the state of society, by not only checking the progress of industry, oppressing the manufacturer, and causing him to debase his manufacture, but also by clogging the beneficial operations of commerce in general, and abridging the comforts of the people at large. This latter description of imposts was originally considered as a branch of revenue too much exposed to abuses to be intrusted to persons not liable to restraint and*

\* Rickards, Vol. II. p. 146.

† Ibid. p. 149.

punishment. It was therefore retained under the immediate management of the government. The first rates were easy, and the custom-houses few; but in the general relaxation of authority, this mode of raising revenue for the support of the government was scandalously abused. In the course of a little time, new duties were introduced, under the pretence of charitable and religious donations, as fees to the Chokeydars, or account-keepers' guards, and other officers at the stations, as protection money to a Zemindar; or as a present to those who framed the duties. Not only had the duties been from time to time raised in their amount, and multiplied in their number, *at the discretion of the Zemindars and the renters under them, but they were at length levied at almost every stage, and on every successive transfer of property; uniformity in the principles of collection was completely wanting; a different mode of taxation prevailing in every district in respect to all the varieties of goods, and other articles, subject to impost. This consuming system of oppression had, in some instances, been aggravated by the company's government*, which, when possessed of a few factories, with a small extent of territory around them, adopted the measure of placing Chokies, or custom stations, in the vicinity of each, for the purpose of ascertaining the state of trade within their own limits, as well as to afford them a source of revenue. Under the head of Sayer revenue, was also included a variety of taxes, indefinite in their amount, and vexatious in their nature, called Moturpha; they consisted of imposts upon houses, on the implements of agriculture, on looms, on merchants, on artificers, and other professions and castes.

"Again, speaking of the company's administration in reference to the Nunjah, Punjah, and Baghayut lands above described, the select committee observe—'The demand on the cultivator was, however, by no means confined to the established rates of land tax or rent; for beside the Sayer duties and taxes, personal and professional, *the Ryot was subject to extraordinary aids, additional assessments, and to the private exactions of the officers of government, or renters and their people; so that what was left to the Ryot was little more than what he was able to secure by evasion and concealment.*'"

The owner of capital, desirous of employing it in the *manufacture* of salt, is not only deprived of the power so to do, but the labourer is forbidden to *collect* it,† because it is subject to a strict

\* Rickards, Vol. I. p. 414.

† "On the Coromandel coast, salt is formed very rapidly and abundantly upon the rocks, by means of solar evaporation; and the temptation to the poor inhabitants to possess themselves of a necessary of life, thus offered to them by nature, must be almost irresistible. *If, however, one of them should be detected in the act of gathering a handful of salt for his own use, he is immediately subjected to a heavy penalty.*"—*Companion to Newspaper*, Vol. II. p. 199.



monopoly, which produced in Bengal alone, in the years 1822-3, 1825-6, an average revenue of 15,785,376 rupees, or nearly eight millions of dollars. The total revenue in the three presidencies from this source, was 18,000,000 of rupees per annum. Mr. Rickards says, "comparing the revenue with the cost and charges in each year, it appears that the former is more than  $3\frac{1}{2}$  times the latter." This extravagant charge is necessarily augmented by the profits of the retailers, and the salt which is sold by government at 3 rupees per maund, (equal to a dollar per bushel,) is re-sold in Calcutta at 5 rupees, (\$1 67 per bushel,) after being adulterated with ten or fifteen per cent. of dirt. Here the producer of rice is deprived of the power of exchanging his property for salt, unless willing to take one tenth, or perhaps less, of what the original producer of salt would have been willing to give him.\* Another of the effects of this oppressive tax, is to increase the risk of famine, to which this unfortunate people are always liable.

"The great impediment," says Mr. McCulloch, "to the intercourse between the Bengal and Madras provinces is the salt monopoly; the quantity of salt annually taken being restricted by the government of Bengal. This limits the consumption of salt in Bengal, where it is actually dear, and by compelling the inhabitants of Madras to grow corn on poor lands, precludes the export of the cheap rice of Bengal. The India government, instead of having improved of late years in liberality, have actually drawn tighter the cords of monopoly. The effect of this upon the export of corn from Bengal to Madras has been remarkable. In 1806-7, when the salt of Madras was admitted into Calcutta with some liberality, their export of grain to the Coromandel coast, amounted to 2,635,658 maunds, (74 lbs. each,) or about 470,000 quarters; whereas in 1823-4, a year of scarcity, it amounted to 1,591,326 maunds, or about 284,000 quarters."†

Labour and capital were not permitted to be applied to the product of tobacco, because it was monopolized, and the Ryots were prohibited from cultivating any smaller quantity than ten maunds—to the injury of those who had been accustomed to discharge part of their rent by the help of a small plantation of one or two maunds.‡

\* "Commissioner Græme, in his letter to the Board of Revenue, 31st August, 1830, mentions other frauds connected with the salt monopoly. He says that the government in purchasing salt, are in the habit of pressing it down with hands and feet in the wooden measure; but when they sold it, of filling it up as light as could be, which made a difference of 20 per cent.; and other differences of measurement made an additional 20 per cent."—*Encyclopædia Britannica*, Vol. XI. p. 458.

† The average of 1826-7-8, was less than 40,000 bags.—*Martin's Colonies*, Vol. I. p. 100.

‡ Rickards, Vol. I. p. 91.



Opium is also a monopoly. The average of the gross receipts from this source, for fourteen years, ending with 1821-2, was 9,382,263 rupees, and the cost and charges 990,738 rupees, giving a profit of 850 per cent.\* Since the introduction of Malwa opium which the company has been unable to monopolize, the profits of this department of trade have very much diminished.

By the monopoly of the sale of salt to, and the purchase of opium from this unfortunate people, the company realized a profit of thirteen millions of dollars, a sum almost equal to the whole expenses of the government of the United States.

The labourer cannot cut down or sell a bit of wood on his own property, for the most ordinary purposes; he cannot remove even the young teak plants which spring up from seeds scattered by the winds, though they are injurious. *Though he cannot himself cut down his own trees, the conservator cuts them down at pleasure, both on his hills, and in his fields and gardens, and makes him pay duty on wood; and he not only levies duties, but he confiscates property.*†

In relation to the manufacturers Lord Wellesley wrote, that the "Main and avowed object of the company's system," was the "exclusive appropriation of the labour of the weavers, and the establishment of a control over that labour, to enable the commercial officers to obtain the proportion of goods required for the company *at prices to be regulated by the officers themselves.*"‡

The following passage will give a general view of the state of India under all these exactions:—

"Let us suppose England to be divided into small tenures, not much bigger than Irish potato gardens; the produce of the soil a great variety of articles, of which some one or more come to maturity in almost every month in the year; the present landlords forced to emigrate, or reduced to cultivate their own lands, or perhaps converted into Zemindars, *with power to exact, flog, fine, and imprison ad libitum*; the land tax fixed *at one half the gross produce*, to be ascertained by admeasurement of every acre, and by valuation, or by weighing the produce; or, in the event of difference of opinion with the cultivators of any village or district, by calling in the farmers of a neighbouring district to settle the dispute. From the oppressive, as well as vexatious nature of this tax, let us also suppose the fears and jealousies of government occasion the appointment of hosts of revenue

\* "Up to the year 1797, the trade was let out to contractors, but at that time it was changed to an agency, and the cultivation positively prohibited to Bengal," thus depriving the people of Bengal of the right of using their capital in such way as was most likely to yield them a return.—*Rickards, Vol. I. p. 649.*

† Sir Thomas Munro.

‡ Rickards, Vol. I. p. 84.

servants, armed and unarmed, some to make, others to check the collections; that accounts and check accounts be also multiplied, to guard against imposition; and that servants required for these various purposes, be authorized *to collect additional imposts from the cultivators, or to have land assigned to them as a remuneration for their own services*; and that, under colour of these privileges, and grants, excessive exactions are enforced, leaving but a bare subsistence to the farmers; that *this system of taxation should be liable to increase with every increase of cultivation; that the defalcations of one farmer, or one village, should be made good from the surplus produce of others*; that the spirit of the people should be so broken by the rigour of despotic power, as to suffer the government with impunity to step forward, and declare itself sole proprietor of all the lands in the country; and that its avarice and cravings had so multiplied imposts as to inspire cultivators with the utmost alarm and dread, whenever changes or reforms were projected in the revenue administration, lest further additions should be made to their almost intolerable burdens. Let the reader, I say, consider these things, and then ask himself if a government assessor, with every soul in the country thus opposed to his research, is likely to obtain the requisite information for justly valuing every acre of cultivated land, including every variety of soil, and of products; or if it could be justly valued, whether the collectors of such a government were likely to be guided by any better rule, than to extract from the contributors all that could with safety be drawn into their own and the public purse. This, however, is but a sketch of the state of society in Hindostan, of which demoralization was the inevitable result; where laws, regulations, and even official instructions, are but a name: where power is really uncontrolled, and usage affords abundant openings for its arbitrary exercise, the holders of power, with their numerous hangers-on, will be arrayed on one side as instruments of oppression, to which the Ryots, or the mass of people, have naught to oppose but evasion, falsehood, artifice, and cunning. Some of the worst passions of the human mind, thus called into constant action, become settled habits; and every rising generation being of necessity, and from infancy, driven to the practice of these habits, a character of slavish submission, and moral degradation, is generated, which it is most illiberal and unjust to impute to this oppressed people, as inherent and incorrigible depravity.”\*

The people of the several portions of India have been, for centuries, occupied in destroying the peace of their neighbours, in murdering the people, and in plundering and burning their property. The people of France, in quest of plunder and of glory, and anxious

\* Rickards, Vol. II. p. 43.

for dominion, have destroyed the peace of their neighbours of Spain, of Italy, of Germany, and of Belgium. They have carried their arms from Lisbon to Moscow. Egypt and India have witnessed their exploits. They have been at all times ready to interfere in the quarrels of their neighbours. Unable, at the present moment, to indulge in Europe their passion for glory, they are now engaged in disputing with the miserable inhabitants of the coast of Africa, the possession of a body of land of no conceivable value, while a large portion of their own territory remains uncultivated. The people of England have done much to disturb their neighbours, but their passion for glory has not led them so far as those of France. A large portion of them have seen that there were better modes of employing their time. The people of the United States have abstained almost entirely from disturbing others.\*

*Curses, like young chickens, always come home to roost.*† Those who have destroyed the security of their neighbours, have enjoyed none themselves. Their own enjoyment has been in the ratio in which they have permitted it to others. Here we find duty and interest fully to coincide with each other. Had the people of India, of France, and of England, done to others as they would have others do to themselves, they would have enjoyed the same security of property that has been enjoyed by the people of the United States, and would now reap the advantages of it. In comparing the several countries, one with another, we find the same results, in regard to property, as those given at the close of the last chapter, in relation to the rights of person, viz. that it has been most secure in the United States, next in England, third in France, and last in India.

In comparing the several parts of the United States, we find the people of Massachusetts enjoying security in a higher degree than those of any other State, and consequently greater than those of any other part of the world.

\* The exceptions to the general rule are to be found in their treatment of some of the Indian tribes, particularly those in Florida and Georgia. The punishment for misconduct is to be found in a war that has endured two years, and has cost some millions of dollars.

† Motto to Southey's *Curse of Kehama*.

## CHAPTER IV.

UNPRODUCTIVE EXPENDITURE.—UNITED STATES.—ENGLAND.—  
FRANCE.—INDIA.

PROPERTY cannot be deemed secure where it is in the power of any person, or collection of persons, to compel the remainder of the community to contribute, for the support of government, a larger proportion of their incomes than is necessary for the effectual maintenance of that security.

To the extent that is required for attaining the object for which government is instituted, no expenditure can be more advantageous, and the man who desires to maintain and improve his condition, will contribute without hesitation, what is *necessary* for that purpose. When, however, larger contributions are demanded than are really necessary, and the revenue thus raised is distributed among those who do not aid in the maintenance of security, or who are paid more than their services merit, the surplus is wasted, and the individuals receive no return for the sums they are compelled to pay, or the labour they are obliged to contribute. In every community it is desirable to steer clear of the two extremes of excessive and of niggardly payment of those who are employed in the public service; of employing fewer than are required for the maintenance of security, as well as of employing too many; and while we must condemn a system which imposes the payment of taxes for the support of those who perform no services, we must equally condemn one which deprives the public of the services of individuals possessing the abilities required for the offices that are to be filled;\* and compels the employment of those who are unable to perform the duties of their stations, leaving the people to provide for their

\* In a large portion of the United States, the judiciary are so ill paid that men possessing the ability required for the bench are compelled to decline appointments. In 1836, a distinguished judge of New York resigned his situation, stating that, during the time he had been on the bench, his salary had not paid the expenses of his family. Notwithstanding the existence of this state of things, we have shown that security is more complete in the United States than in other countries in which the judges are better paid. That desire to economise public expenditure which limits the salaries of the judges, limits equally all other public expenses, and consequently permits the rapid growth of capital, by which men are enabled to employ themselves advantageously, thereby placing them beyond the necessity of crime.

own security, after having paid their contributions towards the employment of the necessary officers.

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The want of some improvement in the system of police has been experienced in the United States, on various occasions, where an active magistrate, aided by a moderate number of police officers, would have quelled, in their origin, riots that have caused great destruction of property. In Philadelphia, until recently, there have been very few officers except the constables of the respective wards, (fifteen in number,) who are generally more occupied with other business than with the maintenance of public order. In New York, the system is very defective, and no arrangements have been made for its improvement. In both, much money is expended that would be more advantageously applied to this object. Throughout the country, there is no police other than the constables annually elected by the people, and who have little time to devote to the maintenance of order.

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In England, the existence of a similar state of things is described by the commissioners appointed to inquire into the best means of establishing an efficient constabulary force. They state that "the police establishment consists in general of a constable for each parish, or township, elected to serve for a year," and that "so common is it for the constable to be unable to write or read, that an improper fee is often charged on that ground by the magistrate's clerk, 'for making out the constable's bill for conveyance to jail.'" One witness, the treasurer of the West Riding of Yorkshire, says, that "no person can be aware of the reluctance shown by the parish constables in apprehending felons, particularly since the disposition shown by the lower orders to retaliate by committing destruction on their property. There is not a single constable," he afterwards adds, "who dares move, nor has he any encouragement to move, and if he do move, he is quite incompetent."\*

Another witness says, "we cannot go on in the country with our present police. Where there is the least danger, we are obliged immediately to call out the special constables."† The difficulty here does not appear to arise out of having too small

\* "In the Times newspaper, we observe that the inhabitants of certain wild regions, called Clapham, Tower Hamlets, and Stockwell, [*in the immediate vicinity of London,*] are combining together for their common protection against thieves."—*Fonblanque, England under Seven Administrations, Vol. I. p. 117.*

† Companion to the Newspaper, Vol. IV. p. 289.

a number of persons charged with the performance of the duties of police, as there are maintained in Great Britain, for that purpose almost exclusively, nearly 30,000 troops, at vast expense. Security does not, in this case, appear to exist in the ratio of the number of persons charged with its maintenance.

The police of London is now excellent, but it is maintained at a vast cost. It consists of 17 superintendents at £200 per annum each; 70 inspectors at £100 each; 342 sergeants at £1 2s. 6d. per week; and 3000 constables at 19s. per week. The total cost, per annum, is £210,000 = \$1,000,000. The officers average nearly one to every 400 persons, which would give to New York a force of about 750. The whole expenditure for watch and police in the latter city, is \$158,931 per annum.\*

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In France, it cannot be objected that the police are deficient in numbers. On the contrary, they abound in all directions; yet we have seen that security is so little maintained that the ordinary intercourse of society has been suspended, for fear of giving offence to the labouring classes, and that armies have been required to restore order. In all these cases there is error. The community is bound to maintain security, but it is equally bound to do so at the smallest cost that is possible.

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We have shown that in the progress from the savage state towards civilization, there is in every stage a *diminishing* proportion of the time and labour of the people, or of the produce thereof, required for the maintenance of public order, attended with a constantly *diminishing* necessity for interference with the affairs of individuals, and accompanied by a constant *increase* in the efficiency of the arrangements for the accomplishment of the object. We have stated that this is fully illustrated in the United States, as we proceed from Massachusetts, with a population of eighty-one to a square mile, to New York, with forty-two, and thence to Arkansas, being the State last admitted into the Union, with only one per mile; and shall now have occasion to *show*, that while security in the first is more complete than in the second, the *proportion* of the proceeds of labour required for its maintenance is vastly less, and is accompanied by a diminished necessity for interference with the operations of individuals in consequence of the measures required for the raising of revenue.

We now, in illustration of this view, submit to the reader the

\* Williams's New York Annual Register, 1836, p. 314.

receipts and expenditures of three States, differing in density of population, but resembling each other materially in the character of that population, and regarding which we are enabled to obtain the most accurate information. They are,

Massachusetts, population in 1830, per square mile,	81
New York, do. do. do.	42
Ohio, do. do. do.	21

*Expenditures of the State of Massachusetts, year ending December 31, 1835.*

Salaries of Executive and Judicial officers, and incidental charges for the support of government,	-	-	\$ 70,795
Pay of Counsellors and Legislature,	-	-	182,185
State paupers,	-	-	53,293
County Treasurers' fees, Jury fees, &c.,	-	-	45,119
Printing,	-	-	12,101
Pensions and gratuities to old and wounded soldiers,	-	-	7,693
Militia expenses,	-	-	19,992
Deaf and Dumb Asylum, Blind Asylum, Lunatic Hospital, and Agricultural Societies,	-	-	33,728
Geological and Trigonometrical surveys,	-	-	4,414
Revision of the Statutes,	-	-	26,670
Sundries,	-	-	39,448
			<hr/>
			\$ 495,438
Paid to State School Fund,	-	-	89,836
			<hr/>
			*\$ 585,274

The only taxes required to meet the above expenditures, are one upon bank capital, of one half of one per cent., producing	-	-	\$ 304,211
And an auction tax, yielding	-	-	45,090
To which are to be added,			
Receipts for sales of public lands,	-	-	179,672
			<hr/>
			\$ 528,973

\* Account of the state of the Treasury of the Commonwealth of Massachusetts: Boston, 1836, p. 7.

Which, with receipts of interest and other small items, somewhat exceed the expenditure.

In addition to the State expenditure of - - \$ 585,274

There are county taxes, for the erection and support of court-houses, jails, and houses of correction, repairs of great roads, &c., the amount of which is, (exclusive of Suffolk, in which Boston is situated,) - - 125,000

Poor taxes, - - - - - 240,000

School tax, - - - - - 350,000

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\$ 1,300,274

There are also some town taxes of trifling amount, for the maintenance of public roads,\* and other items of police. We now give the expenditure of the city of Boston and county of Suffolk.

Schools, - - - - - \$ 90,690

Watching, lighting, constables, &c., - 49,990

Fire engines and fire department, - 25,920

Cleaning streets, sewers, &c., - 38,460

Poor, - - - - - 12,630

Building and maintenance of houses of industry and reformation, - - - 38,520

Building new court-house, - - 66,500

Opening and widening streets, - - 134,600

Public buildings, - - - - 9,700

Interest, - - - - - 55,000

Sundries, - - - - - 22,820

Salaries, - - - - - 30,700

Courts and prisons, - - - - 31,500

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\$ 607,030

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\$ 1,907,304

The *real and personal* property in the Commonwealth, at the census of 1830, was assessed at 208 millions of dollars, and might, in 1835, be taken at not less than 225 millions. The *true* value is at least double that sum, or 450 millions. The amount collected for all purposes of education, for the support of the poor, and for the maintenance of the government, is about two

\* The roads in Massachusetts are the best in the Union, and are generally free from tolls. It is the duty of the town to keep the roads and bridges in order, and if damage is received by any one in consequence of neglect to do so, he has his remedy against the town, and heavy damages have been frequently obtained.



fifths of one per cent. of the value of property, for the security of which it is maintained.

Of the nineteen hundred and seven thousand			
dollars collected, the amount expended for			
education, and in aid of the institutions for			
the deaf and dumb, insane, &c., is	-	-	\$ 670,000
Poor,	-	-	252,000
Government,	-	-	985,000

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\$ 1907,000

The amount raised for the purposes of government is about  $\frac{22}{100}$  of one per cent. upon the value of property. That for the support of the poor about  $\frac{6}{100}$  of one per cent., and the two combined about  $\frac{28}{100}$  of one per cent.

The population in 1830, was 610,000, and in 1835, may be taken at 660,000, and the contribution, per head, for government and for maintenance of the poor, is \$1 87.

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*New York.*

State government, 1835,	-	-	-	\$ 384,600
Taxes for the city and county of New York,	-	-	-	905,000
County and town taxes,	-	-	-	1,291,478

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Total expenditure for government, and for maintenance  
of the poor, - - - - - \$ 2,581,078\*

Valuation of real and personal estate, 1835, 530 millions.

If we double this sum to obtain the true amount, we shall have 1060 millions of dollars, paying as tax for the support of government, and maintenance of the poor,  $\frac{40}{100}$  of one per cent., *being the same proportion as in Massachusetts is required for government, poor, and education.* The population being 2,174,000, the contribution, per head, is \$1 18.

In no country in the world, we believe, is order so perfectly maintained as in Massachusetts, yet security of person and of property is obtained by the contribution of a *smaller proportion* of the proceeds of labour than in any other country whatever. New York may be placed high in the scale of security, but it does not occupy a position so elevated as that of Massachusetts, yet the ratio of contribution is higher.

\* Williams's New York Annual Register, 1836, p. 327.

*Ohio.*

Total amount of taxation, - - - - - \$ 780,000  
 Valuation of real and personal property, 1835, - 94,000,000

Doubling this sum we obtain 188 millions of dollars, paying for government and maintenance of the poor,  $\frac{4.2}{100}$  of one per cent. In this is included a small amount of school tax, but we are unable to separate it from the county taxes. The difference between *the proportion* required in New York and Ohio does not appear to be material, but it would be so could we ascertain the amount of foreign capital used in the former State, not included in the assessment, yet enjoying the advantages resulting from the payment of taxes by others. Upon *the whole capital* employed in that State, the contribution is probably not more than  $\frac{3.3}{100}$  of one per cent. In addition, it is to be remarked that the objects of government are more fully attained in New York than in Ohio, which, however, is rapidly following the example set by that State and by Massachusetts.

The population may be taken at 1,000,000, and the contribution, per head, at 71 cents.

It will be observed that, with the *diminution* in the per centage of contribution by *capital*, there is a constant *increase* in the amount contributed per head.

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The following comparative view of the valuation and taxes of the city of New York, gives the same result of a diminution in the proportion as population and capital increase.

	<i>Valuation.</i>	<i>Taxation.</i>
1805,	\$ 25,645,000	\$ 127,946
1820,	69,530,000	270,000
1835,	218,723,000	850,000

While the valuation has increased nearly nine times, the taxation has increased less than seven times. The difference in the ratio of increase would be still greater could we add in each case the amount of foreign capital employed.

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We now proceed to *show*, that with the extension of cultivation and increased density of population, there is a constant diminution in the necessity for interference with the affairs of individuals, and with that view give the following list of property taxed for maintenance of the governments of two of the States to which we have referred.

<i>Massachusetts.</i>	<i>Ohio.</i>
Bank stock,	Landed property of all descriptions,
Sales at auction.	Horses,
	Cattle,
	Merchants' capital, including money at interest
	Pleasure carriages,
	Physicians and lawyers.

At the south we find, in Virginia, with a population of 18 to a square mile, and a total population of 694,000, an annual *State* expenditure of about 450,000 dollars, exclusive of expenses for education, and of county and city taxes. The total cost of government must exceed a million of dollars, requiring more, per head, than is paid in Massachusetts.

In order to obtain this revenue, taxes are imposed upon land, slaves, horses, pleasure carriages, licenses to merchants, brokers, pedlers, keepers of hotels, &c., and upon law and chancery processes, seals of court and notarial seals, and upon the inspection of tobacco.

In South Carolina, with a population of 258,000, giving also 18 to a square mile, the *State* expenditure of 1835-6, was \$256,000, to which are to be added the local taxes. The total amount, per head, will not probably vary greatly from that of Virginia. To obtain this revenue, taxes are imposed upon slaves, free negroes, merchandise, professions, and upon real estate.

We find thus, as we recede from Massachusetts, that the cost of government becomes heavier, because of the diminished density of the population, while the objects of government are much less fully attained. The value of labour in Virginia and South Carolina is by no means so great as at the north, while the taxation, per head, is greater. It follows, of course, that the *proportion* of the product of labour that is taken for the support of government is much greater.

The expenditure of the Federal government, from 1791 to 1832, both inclusive, a period of 42 years, was as follows:

Civil list,	-	-	\$ 37,158,047
Foreign intercourse,	-	-	24,143,582
Miscellaneous,	-	-	32,194,703
Military,	-	-	190,538,643
Revolutionary pensions,	-	-	17,298,282
Other pensions,	-	-	6,710,307
Indian department,	-	-	13,413,188
Naval establishment,	-	-	112,703,933
			<hr/> \$ 434,160,685

This includes every item of expense during that period, except the payment of the principal and interest of the debt of the revolution, and that of *interest* upon the debt accumulated during the war with Great Britain, the principal of which has been paid off.

The average is ten and a half millions of dollars, and during that period the average population has been nine millions, making the contribution, per head, about \$1 17.

The changes that have taken place in that period, have been as follows:

		<i>Population.</i>	<i>Expenditure,</i>	<i>Per head.</i>
1791,	-	\$ 3,900,000	\$ 2,000,000	\$ 0 49
1801,	-	5,300,000	5,000,000	0 94
1811,	-	7,200,000	5,600,000	0 77
1821,	-	9,600,000	10,700,000	1 11
1831,	-	12,800,000	14,000,000	1 09*

Here is a nearly constant tendency upwards in the expenditure, per head, with an equally constant tendency downwards in the ratio which the amount raised bears to the means of the people who pay it. In 1793, small as was the expenditure, it was necessary to establish excise duties in addition to the duties upon imports. With the increase of population, there is an increased facility of obtaining the necessary revenue from a diminished number of commodities, and thus there is now not only no internal tax, but a large proportion of the foreign commodities that are imported are free of duty. The producers of wheat, of cotton, and of tobacco, exchange their commodities for tea, coffee, silk, and wine, as freely as if the latter were produced in the United States, and more freely than the people of France can exchange for the silks and wines produced at home.

Such have been the results of increased population, notwithstanding that the territory over which that population is scattered is now almost as great, in proportion to numbers, as in 1791. At that time the States of the Union embraced about 400,000 square miles, a large portion of which was unsettled. At present the States and organized territories embrace about 1,250,000 square miles, with a frontier of vast extent compared with that of 1791. Had the same increase of population taken place on the territory of the old thirteen States, there could have been but little increase in the amount of expenditure.

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\* M. De Tocqueville *assumes*, [Vol. II. p. 86,] that each person contributes nearly \$2 50, for the support of the Federal government.

We have shown that in Massachusetts, with a population of eighty-one per square mile, and with a government not exceeded by any, in the perfect security of person and property that is afforded, the contribution, per head, is \$1 87. If to this be now added the contribution for the support of the government of the United States, we shall have \$2 96, per head, as the average required for all purposes of government, and for the maintenance of such persons as are, from ill-health, old age, or from deprivation of the use of their faculties, unable to obtain support for themselves.

This is, however, considerably above the average expenditure of the Union for those purposes. The three States to which we have referred, contained about four millions of people, and their total expenditure was 4,400,000 dollars, being an average of \$1 10 per head. If we assume *that* as the average for the whole Union, and add thereto the contribution for the Federal government, we shall have \$2 19, equal to 12 francs, or 9s. 2d. sterling, as the contribution of each individual for government, and for the maintenance of the poor.\*

The following estimate of taxes in the State of New York, is given by M. Chevalier,† and is deemed by him to be rather above than below the average.

Federal taxes,	-	-	francs 7 50	-	\$ 1 40
State taxes,	-	-	1 00	-	0 19
Toll on canals,	-	-	3 64	-	0 68
County taxes,	-	-	2 05	-	0 39
Local school tax,	-	-	0 50	-	0 09
Municipal taxes,	-	-	1 65	-	0 32
				francs 16 34	\$ 3 07

\* Estimate of the taxes of every description paid in the United States, prepared at the Department of State, in 1836.

Value of labour expended upon roads, or road tax,	-	-	-	\$ 4,032,036
Value of time lost at militia parades, including arms, &c.,	-	-	-	1,625,808
Poor taxes,	-	-	-	1,105,416
Contingent expenses of towns,	-	-	-	1,585,021
State taxes,	-	-	-	2,393,670
County taxes, exclusive of poor rates,	-	-	-	2,341,804
Taxes for public schools,	-	-	-	1,071,214
Federal government,	-	-	-	13,556,800
				\$ 27,711,769

Individual average, \$2 15.—*American Almanack*, 1837.

We have not included roads or militia, but have made a higher estimate of State and local taxes, giving nearly the same result.

† Tom. I. p. 470.

We have not included canal tolls. If they be deducted from M. Chevalier's estimate, we shall have \$1 98, being less than our calculations, but he has excluded the large cities, which we have included.

In 1791, the population of Great Britain and Ireland was as follows:

England and Wales,	-	8,000,000, or, per square mile, 133
Scotland,	- - -	1,500,000, " " 50
Ireland,	- - -	4,000,000, " " 130

Average of the whole, 110 per square mile, being one third greater than the present population of Massachusetts.

In that year, the revenue of Great Britain, was £ 16,631,000\*  
And that of Ireland, on an average of several years, was 950,000

£ 17,581,000

The public debt was 240 millions, requiring for the payment of interest and charges of management, about - - - - - £ 5,000,000†

Cost of government, - - - - - £ 9,581,000

The population being 13,500,000, it follows that the contribution necessary for the maintenance of government was about 14s. sterling, per head.

The contribution per head, for the payment of the interest

on the national debt, was 12s. per head, - - - £ 8,000,000

The amount levied for the poor, and for county rates, in England and Wales, was, in 1785, £ 2,167,741,† being 5s. 5d. per head.

The highway and church rates for 1825-6, are stated by

Mr. Scrope, at - - - - - £ 1,686,222

If we take them in 1791, to have amounted to one million,

the contribution, per head, would be 1s. 6d., - 1,000,000

The corporation expenses we have no means of ascertaining, but presume that we shall be within the truth, in stating them at three millions, or 4s. 6d. per head.

Total, £ 3,000,000

\* Pebrer's Resources of the British Empire, p. 153.

† Ibid. p. 246.

† Marshall's Statistical Illustrations, p. 19.

The sum of these contributions, is as follows :

Government,	-	-	-	-	£ 0 14s. 0d.
Interest on debt,	-	-	-	-	0 12 0
Poor and county rates,	-	-	-	-	0 5 5
Highway and Church rates,	-	-	-	-	0 1 6
Corporations,	-	-	-	-	0 4 6

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Total,                   -       -       -       -       -       £ 1 17s. 5d. = \$ 8 98.

It is impossible to make any comparison of the security that is obtained in Massachusetts at a cost of \$ 2 96 per head, with that which existed throughout Great Britain and Ireland in 1791, and to maintain which required \$ 8 98. The greater density of the population of the latter, by diminishing the proportion of persons required to maintain order, should have enabled the government to accomplish the object more fully, and to give greater facilities of communication, at even a smaller cost. Great as was the expenditure of that time, had it been maintained at the same amount, and divided in 1831 among a population of 24 millions, the contribution, per head, would now be 22s., or \$ 5 30, being but little more than half of what it was in 1791. Such would have been the natural course of things, had peace been preserved ; but the love of glory, and other reasons, produced a war of 20 years, constituting one of the most important of the "disturbing causes" by which the growth of capital has been prevented.

The expenditure of Great Britain, from 1794 to 1816,

was,	-	-	-	-	-	-	-	£ 1,700,000,000
From which deduct the amount paid to sinking fund,*								177,000,000

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£ 1,523,000,000

From 1817 to 1822,	-	-	-	-	-	-	-	430,000,000
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From 1823 to 1830, both inclusive,	-	-	-	-	-	-	-	507,000,000
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£ 2,460,000,000

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The average of which was	-	-	-	-	-	-	-	† £ 66,500,000
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\* Pebrer, p. 154—p. 161.

† A part of this consisted of interest paid to the holders of the debt, and might, with propriety, be deducted from the unproductive expenditure. On the other hand, however, no allowance is claimed for the vast accumulation that would have resulted from the use of this capital by the people, and which would greatly have exceeded the interest that is included in this estimate.

Average, as on previous page, - - - £ 66,500,000

The local taxation of 1825-6, is thus stated :\*

Highway rates,	- - -	£ 1,121,834
Church rates,	- - -	564,388
Poor and county rates,	- - -	6,966,157

£ 8,652,379

The amount had frequently greatly exceeded this sum, while in other periods, it was short of it. On an average of the whole period, it may be taken at

7,500,000

£ 74,000,000

It is difficult to ascertain the amount of corporation taxes, but the following statement of the revenue and expenditure of London will enable us to form some idea thereof.

Income for rents and taxes levied by authority of corporation,	- - -	£ 141,031
Income for taxes, rates, &c., levied by authority of acts of Parliament,	-	204,433
Fees and emoluments of officers of corporation,	- - - - -	57,688
Trust funds, held by the London corporation, and by the trading companies, exclusive of funds which may be deemed the private property of the companies,		250,000
Trust funds held by vestries for general purposes,	- - - - -	150,000
Public money annually expended upon bridges and street improvements, by various bodies,	- - - - -	400,000
Rates for paving, lighting, and cleansing the metropolitan boroughs,	- -	300,000
Sewers' rates for do.	- - -	85,000
County do. do.	- - -	50,000
Church rates, police rates, highway rates, and other local taxes,	- - -	361,848

†£ 2,000,000

We presume the corporation taxes for Great Britain, may fairly be estimated at - - - - -

4,000,000

Making a total of - - - - - £ 78,000,000  
payable by the people of Great Britain and Ireland, who were

\* Principles of Political Economy, by G. P. Scrope.—London, 1833, p. 345.

† London and Westminster Review, April, 1836, p. 52.



in 1831, 24 millions in number, but who, in the period we have taken, averaged 19 millions. The average would be £4 2s. per head, but as that of Scotland is lower, and that of Ireland considerably lower than that of England and Wales, the contributions of the latter must have been, per head, at least £5 = \$24, being eight times the amount we have given for the people of Massachusetts.

From 1817 to 1831, the average cost of *collecting the revenue* was £4,100,000, or nearly 20 millions of dollars. If to this sum be added the expenditure of London alone, the amount will be nearly equal to the whole taxation for the support of the Federal and State governments of the United States, for the county and township expenses, for those of corporations, and for the maintenance of the poor.

On a review of the period that has elapsed since 1793, it cannot be doubted that all the objects for which government was instituted could have been accomplished without an increase in the expenditure, and even that a higher degree of security would have been obtained by a course that would have lightened the burthen of taxation, and enabled the labourer to enjoy a larger proportion of the commodities produced by him.

Without claiming any reduction, but admitting that the expenditure of 1791 should have been continued, we find that it would have amounted, in the 37 years from 1794 to 1830, to	£. 925 millions.
Whereas, the average, having been 78 millions, for that period, is equal to	2886    “

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The difference constitutes the unproductive expenditure, amounting to    -    -    -    -    -    £ 1961 millions, or about nine thousand, four hundred millions of dollars, a sum nearly equal to the estimated value of all the productive property, real and personal, of England and Wales.\*

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We have shown that, with the increased ratio of population, there is a tendency to diminution in the necessity for interfering with the affairs of individuals, in consequence of the increased facility in obtaining from a diminished number of taxes the supplies requisite for the support of the government. In the case now under consideration, a different state of things exists, and the great increase in the amount required to be raised, made it necessary, during a large portion of this period, to interfere daily more

\* Mr. Pebrer (p. 335,) estimates it at £2,054 millions.

with private property and arrangements, by new laws and regulations, tending in various ways to diminish security and freedom, whether as regards property or person.

All the taxes previously existing have been greatly augmented, and particularly those upon the necessities of life. Excise laws have been passed, and to secure the execution of those laws, it has been requisite to arm the officers with powers destructive of the security of property. Heavy duties upon all imported commodities have produced a necessity for coast guards, for the prevention of smuggling, maintained at an immense cost; and these officers are also clothed with powers that are inconsistent with the rights of property. It has been also necessary to interfere with the modes of employment of both person and property. In a list now before us we find enumerated, taxes on servants, under-bailiffs, merchants, travellers or riders, clerks, book or office-keepers, shopmen, warehousemen, waiters in taverns, horses let to hire, race horses, horses rode by farming bailiffs, or by butchers, hair powder, armorial bearings, duties on apprentices' indentures, on the admission of students at law, on newspapers, advertisements, insurances, &c. In short, "the people have continually been made to pay all that they have been willing to pay without breaking out into absolute rebellion."\*

With the increase of population and of capital *in the last twelve or fifteen years*, there has been a steady diminution in the number of taxes, and in the necessity for interference in the affairs of individuals, in accordance with the law which we have stated.

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The unproductive expenditure of France, for the last century has been immense. Every thing that could be wrung from the unfortunate labourer has been applied to the gratification of the desires of those who have been charged with the administration of the affairs of the people, and the great object of pursuit has been *glory*.

To form an estimate of the waste of the last half century would be impossible. M. Dupin estimates that of the twelve years from 1803 to 1815, at 9000 millions of francs, or 750 millions, (equal to 150 millions of dollars,) per annum. This is independent of a large amount of taxation for local purposes.

The average expenditure for ten successive years, ending with 1829, was nearly 1000 millions. The budget for 1833, was 1133 millions. That for 1837, is stated by M. Chevalier,† at 1150 mil-

\* Scrope, p. 434.

† Tom. I. p. 467.

lions, from which he deducts 90 millions for the sale of tobacco, wood, &c., leaving 1060 millions to be raised by taxes. He estimates the cost of government, exclusive of local expenditure, at 32 francs per head.

The total local expenditure for 1833, exceeded 200 millions of francs. Taking M. Chevalier's estimate, and adding thereto the local expenses, we should have a total exceeding 1250 millions, or above 250 millions of dollars. The population being 32 millions, the contribution, per head, is about 40 francs, or seven dollars and a half.

The population is one hundred and sixty per square mile, and the expenditure *necessary* for the maintenance of security should be much smaller in proportion to the incomes of the people, than in the United States. We shall, however, have occasion to show, that the *proportion* which is required for the service of the State, is greater than in either Great Britain or the United States.

Although the cost of government, in France, ought to be less, *per head*, than in the United States, in consequence of the greater density of the population, we propose, with a view to ascertain the extent of unproductive expenditure, to assume that of the United States as the proper amount, say \$2 19 per head, which, with a population of 32 millions, would give 70 millions of dollars, or about 350 millions of francs, per annum.

It is a moderate calculation to estimate the average expenditure of the last half century at 1000 millions of francs per annum, equal to 187 millions of dollars, and if the necessary expenditure, according to the experience of the United States, be 70 millions, there has been a waste of 117 millions per annum—equal to \$ 5,850,000,000

This, however, is only the waste of *capital*. In addition thereto are the services of nearly half a million of persons employed in carrying muskets, and who might have earned at least half a franc per day, in addition to what they received as pay, had they been usefully employed in making roads and canals, cultivating the earth, &c. The *labour tax* thus imposed by the conscription, has been not less than one hundred and fifty millions of francs per annum, or about 30 millions of dollars—say, in 50 years, 1,500,000,000

To which must be added the waste of the two invasions of France, say only - - - - 1,000,000,000

Unproductive expenditure, - - - - \$ 8,350,000,000

The effect of these immense drafts upon the product of industry, has been to compel the government to interfere in the affairs of individuals, to an extent unknown in most other countries. Property cannot be *sold* without the payment of a heavy tax ;\* it cannot be *used* without the interference of government, nor is it possible to perform any act over which some control is not exercised, to the utter destruction of that security of property which consists in freedom of action, and freedom in the use of the proceeds of labour.

Instead of employing themselves in producing commodities required for the maintenance and improvement of their condition, the people of France have been engaged in destroying the peace of their neighbours. They have wasted *in each year* a sum that would have made canals from one extremity of the kingdom to the other. *Each year* they have wasted as much as would have supplied every family in the kingdom with a plough, and *every two years* they have wasted as much as would have given to each family a horse. Had these sums been left in the hands of the producers, every year would have seen a rapid increase

\* The tax on the sale of real estate is so heavy as to absorb two years' revenue of the property that is purchased.—*Dupin, Forces Productives, t. I. p. 130.*

"Taxes in the United States, whether because of their amount and the mode of assessment, or because the condition of the people is different from what it is with us, are not oppressive upon the tax payers. They do not interfere with individuals in the management of their affairs.† With us, on the contrary, they are most oppressive and vexatious. Our taxes on registration and on the exchange of property, for instance, are frequently the cause of difficulty, and sometimes obstacles to the spirit of enterprise that are insurmountable.

"In the United States the treasury desires to avoid odium, and the consequence is that there is nothing which resembles our system. The right of examining the property of travellers that may be subject to duty, receives a liberal interpretation. With us the treasury never hesitates to compel the most respectable citizens to submit to measures the most vexatious. We have allowed the administration of the customs to adopt practices unworthy of a civilized nation. It is inexplicable that they should have imposed upon the French, who believe themselves the most polished nation of the earth, rules, in virtue of which their wives and daughters are personally examined and felt, in filthy holes and corners, by female furies. These scandalous brutalities of the agents of the treasury are inexcusable, for they produce nothing to the revenue. Their object is to prevent the smuggling of articles with which, notwithstanding a triple line of custom houses, the market is filled by smugglers who introduce them on the backs of dogs, and not in the pockets of travellers."—*Chevalier, t. I. p. 474.*

† M. Chevalier would have been more accurate if he had said that they are *less* felt, and interfere *less* with the affairs of individuals than those of other countries. Moderate as they are, they are still felt, and from the mode of assessment they do interfere with the perfect freedom that every one should feel in the management of his property.

of capital, by which labour would have been rendered rapidly more productive—the power of accumulation would have increased as it has done in the United States—and the kingdom would now be perhaps the most productive in the world. Instead of this, their armies have visited Moscow and the Pyramids; they have reaped a harvest of glory; but the people at large have been impoverished.

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We shall not attempt to form an estimate of the amount that has been absorbed by the demands of government in India. In our last chapter we gave a view of the modes of taxation, which must have satisfied the reader that the claims made upon the labourer have required for their satisfaction the whole of his products, except what was barely sufficient for the maintenance of existence; and that the interference with the rights of property for the purpose of extorting the necessary contributions, has as far exceeded that of France as in the latter it has exceeded that of the United States.

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The proposition that, as man is enabled by the cultivation of inferior soils to live in closer connexion with his fellow man, there is a constant *increase* of security, accompanied by a constant decrease in the proportion of the proceeds of labour required for its maintenance, is fully established by the case of the United States, in which there has been a constant increase of security, as they have increased in population. It is also established by a comparison of the several States at the present time, passing from Arkansas, with a population of one, to Massachusetts, with 81 to a square mile. In France and in England, as we trace their history for centuries past, we find the same result as population and capital have increased.

In passing from the United States, with 15 to a mile, and still more in going from Massachusetts with 81, to England and Wales with 250, we find a diminution instead of an increase of security. In France, with 160, we find still less, and in Bengal, with 300, the minimum is found.

Security of person and property is indispensable to the profitable application of labour. Where it exists to the greatest extent, there will the labourer devote himself most steadily, and obtain the largest reward. In the United States, he has found the greatest inducements to exertion: England comes next in order, France is third, and India is last.

The order of productiveness of labour in these several nations being in the ratio of security, must be,

First, United States,

Third, France,

Second, England and Wales,

Fourth, India.

We find, however, that the contributions for the maintenance of security have been in the inverse order of the security obtained. The proportion required is greatest in India, less in France, still less in England, and least in the United States.

Where labour has been least productive, the *proportion* required for the maintenance of government has been greatest.

Here we find the same result that is obtained upon an examination of the history of France, England, and the United States, viz. that *when capital was scarce and the superior soils only were cultivated*, and when, consequently, labour was least productive, the *largest proportion* was required for the maintenance of government.\* Where the unproductive expenditure has been least, the growth of capital has been greatest, and man has been able to improve his machinery most rapidly, enabling him to bring into activity the inferior soils, with a constantly increasing return to labour; while *with every increase of unproductive expenditure, there has been a diminished power of accumulating capital—of improving machinery—and consequently of obtaining from the inferior soils that reward which nature offers to those who are industrious, temperate, and frugal; who respect in others the rights which they claim for themselves; who desire security, and are willing to grant it; who deem that there is more true glory to be found in cultivating the friendship and good will of their neighbours, than in plundering and murdering them; who, in short, endeavour to carry faithfully into execution the great command, “do unto others as you would have others do unto you.”*

We shall now proceed to examine into the *quality of the labour*† of the several nations, with a view to ascertain how far the results correspond with the views we have thus submitted.

\* In the Statistics of New South Wales, recently published, (*Statistical Journal*, October, 1837,) we find a striking illustration of this fact. A considerable portion of the expenses of the colony is paid by Great Britain, yet the amount raised by taxation is £330,000 sterling, which, upon a population of about 100,000, is £3 6s. 8d., or \$16, per head, being more than is paid by the most heavily taxed people of Europe.

† “As labour is aided by capital, it is improved in its quality.”—*Ante*, Part I. page 12.

## CHAPTER V.

## QUALITY OF LABOUR.—INDIA.—FRANCE.—ENGLAND.—THE UNITED STATES.

IN the following inquiry into the quality of labour in the several nations to which we have referred, we shall endeavour to state the quantity of commodities usually produced by a given amount of labour, and particularly the quantity of silver received as wages. In the prosecution of it our object will be to determine the *average quality* of the whole labour of the several countries, and not to ascertain that in which improvement is carried by *individuals* to the highest point. The average quality of labour applied to cultivation in the Lowlands of Scotland, is higher than that of England, yet in the latter horticulture is carried to a higher degree of perfection than in the former. The one excels in raising wheat, but the other excels in raising melons and pines. The quality of labour applied to the production of porcelain, in France, is higher than in England, yet the average quality of manufacturing labour is higher in England than in France. Laplace, and Remusat, and Cuvier, have not their equals in the United States, where the average education of the people is much higher than in France.

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Under the circumstances described as existing in INDIA, capital could not accumulate, and the aids to labour are consequently of the worst kind. The steam engine, with its wonderful productive power, has scarcely been introduced, and the manufacturers are unable, with their unassisted exertions, to compete with those of Europe or the United States.

We cannot better show the limited extent to which labour is aided by capital, than by giving the following passage from Mr. Rickards's work.\*

“Of all the effects, too, resulting from this destructive system, there is none more obvious than its preventing the possibility of accumulating capital, through which alone can the agriculture of the country be improved. At present the stock of a Ryot consists of a plough, not capable of cutting deep furrows, and *only intended to scratch the sur-*

\* Vol. II. p. 196.

*face of the soil*, with two or three pairs of half-starved oxen. This, a sickle used for a scythe, and a small spade or hoe for weeding, constitute almost his only implements for husbandry. *Fagots of loose sticks, bound together, serve for a harrow.* Carts are little used in a country where there are *no roads*, or none but bad ones. Corn, when reaped, is heaped in a careless pile in the open air, to wait the Ryot's leisure for threshing, which is performed, not by manual labour, but by the simple operation of cattle-treading it out of the ear. A Ryot has *no barns for stacking or storing grain*, which is preserved, when required, in jars of unbaked earth, or baskets made of twigs or grass. The cattle are mostly fed in the jungle, or common waste land adjoining his farm, and buffaloes, thus supported, generally supply him with milk. Horses are altogether disused in husbandry. *The fields have no enclosures.* Crops on the ground are guarded from the depredations of birds and wild beasts by watchmen, for whose security a temporary stage is erected, scarcely worth a shilling. Irrigation is performed by means of reservoirs, intended to retain the water periodically falling from the heavens, and of dams constructed or placed in convenient situations. In some places water is raised from wells, either by cattle or by hand. A rotation of crops on which so much stress is laid in Europe, is unknown in India. A course extending beyond the year, is never thought of by Indian Ryots. Different articles are often grown together in the same field, in which the object always is to obtain the utmost possible produce, without the least regard to the impoverishment of the soil. The dung of cattle is carefully collected for fuel, after being dried in the sun, and *never used for manure.* Oil cake is used for manure in sugar cane plantations, and for some other articles; but corn-fields are generally left to their own natural fertility, and often worked to exhaustion without compunction. In some situations near the sea, decayed fish is used as a manure for rice-grounds; but is seldom permitted where authority can be interposed, as the stench of it is intolerable. In a country like India, where the heat of the climate is great, the construction of tanks or wells, for the purpose of irrigation, is one of the most useful purposes to which agricultural capital can be applied. Wells and tanks are sometimes constructed or repaired by the labour or industry of the Ryots, but most commonly at the expense of government. It has been remarked that where Zemindars have been able to accumulate gains, they *never apply them to the improvement of lands subject to public revenue.* Where Zemindars have been known to construct works of the above description, they are merely designed to increase the fertility of lands held free. But generally speaking, *so entire is the want of capital* in India, as well in arts and manufactures as in agriculture, that *every mechanic and artisan not only conducts the whole process of his arts, from the formation of his tools to the sale of his production*, but, where hus-



bandry is so simple a process, turns cultivator for the support of himself and family. He thus divides his time and labour, between the loom and the plough; thereby multiplying occupations fatal to the improvement of either. *In this universal state of poverty, manufacturers always require advances of money to enable them to make up the article in demand;* whilst Ryots have frequently been known, sometimes for anticipated payments, and sometimes for their own expenses, to borrow money on the security of growing crops, at 3, 4, and 5 per cent. per mensem. No fact is perhaps better established in political economy than that industry cannot, in any of its branches, be promoted without capital. Capital is the result of saving from annual profits. *Here there can be none.* A dense, or rather redundant population occasions in India, as in Ireland, a competition for land; because in a nation of paupers, land is indispensable as a means of existence. It is therefore at times greedily sought for in India, notwithstanding the exorbitance of the revenue chargeable thereupon, for the same reason that small portions of land in Ireland are occupied under payment of exorbitant rents to landlords; and this extension of cultivation in India is often mistaken for an increase of prosperity, when, in fact, it is but the further spreading of pauperism and want. Hence the acquisition of capital in India, by the cultivators of the soil, is absolutely impossible. *Either the revenue absorbs the whole produce of industry, except what is indispensable to preserve the workers of the hive from absolute starvation; or it is engrossed by a Zemindar, or farmer, who will not re-apply his gains to the improvement of lands within the tax gatherer's grasp.* In this view of proceedings, effects are presented to our notice deserving the most serious consideration. It is clear that, wherever the wants of government, real or imaginary, may call for increased supplies, recourse will be had to the "improvement," or extension of an impost already almost intolerable. It is in fact the only available recourse. Universal poverty leaves no other. Measures will therefore be multiplied for assessing wastes; for resuming rent-free lands; for invalidating former alienations; for disputing rights which had been allowed to lie dormant for half a century; for increasing the aggregate receipts from lands already taxed, or supposed to be taxed at 50 per cent. of the gross produce; in short, for the most harassing, and vexatious interference with private property, and the pursuits of private industry. *Every improvement or extension of agriculture is thus sure to be followed, sooner or later, by the graspings of the tax gatherer.* Industry, therefore, will be effectually checked, or only prosecuted where the demands of government may chance, through bribery, fraud, or concealment to be eluded. Or if the necessities of human life, or increased population, should occasion agriculture to be extended to waste lands, to be thereafter taxed at the 'just amount of the public dues,' what is it but the further spread of pauperism and wretchedness."

The introduction of British capital has been prevented, and British subjects could only hold property clandestinely. They would not invest capital in a country from which, with or without offence, they were liable to be banished without notice.\*

The following statement from Col. Sykes, shows the manner in which labour is employed in agriculture, and shows also the relations between the capitalist and the labourer, in India, to be precisely the same as existed in England five hundred years since. At that time, wages were paid either in money, or in corn at 16*d.* per bushel, *at the option of the employer.*† When the latter was abundant, and worth less than 16*d.* he paid in kind, but when it was scarce and high, he paid in money, with which the labourer could not purchase what was necessary for his subsistence. Whenever production is small, the capitalist has it in his power to take a large *proportion*, but as machinery is improved and production is increased, he takes a constantly decreasing one, leaving the labourer a constantly increasing proportion.

“Labourers in India are seldom paid in money, *except when grain is dear*, a custom obviously injurious to the labourers. Wages in India are very low. When paid in money, three rupees, (rather less than six shillings,) is the usual monthly pay of a labourer in agriculture, without food, clothes, lodging, or other advantages. The cause of the low rate of wages of labourers in India, appears to be the *small quantity of useful work they do*. The author states, that when in the Poona collectorate, on the 16th of February, 1829, he overtook twelve or fourteen men and women with bundles of wheat in the straw on their heads. On inquiry, he found that they had been employed as labourers in *pulling up* a field of wheat. Their wages had been five sheaves for every hundred gathered: two or three of the men had got five sheaves each, the majority only four, and none of the women more than three. Five sheaves, they said, would yield about an imperial gallon of wheat, and would sell for about three pence half penny sterling.”‡

The *quality* of handicraft-labour may be judged from the fact that, while the lowest European carpenter can earn, in Calcutta, 6*s.* per day, and the Chinese 2*s.*, the wages of Hindoo carpenters, at the same place, cannot be estimated above 6*d.*§

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\* The whole number of Europeans, in India, not connected with the Company, in 1828, was 2016.—*Companion to Newspaper*, Vol. I. p. 38.

† See Vol. I. p. 61.

‡ Fifth Report of British Association, p. 118.

§ Martin's Colonies, Vol. I. p. 341.

The system of *Metairie* is supposed still to prevail over one half of FRANCE.\* It is thus described by M. Destutt Tracy:†

“When the soil is still more ungrateful, or when by the effect of different circumstances the small rural proprietors are rare, the great proprietors of land have not this resource of forming small farms; they would not be worth the trouble of working them, and there would be no body applying for them. They adopt then another plan: They form what are commonly called domains or half shares (*metairies*); and they frequently attach thereto as much or more land than is contained in the great farms, particularly if they do not disdain to take into account the waste lands, which commonly are not rare in these places, and which are not entirely without utility, since they are employed for pasture, and even now and then are sown with corn, to give rest to the fields more habitually cultivated. These *metairies*, as we have seen, are sufficiently large as to extent, and very small as to product; that is to say they require great pains and yield little profit. Accordingly, none can be found having funds who are willing to occupy them, and to bring to them domestics, moveables, teams, and herds. They will not incur such expenses to gain nothing. It is as much as these *metairies* would be worth, were they abandoned for nothing, without demand of any rent. The proprietor is himself then obliged to stock them with beasts, utensils, and every thing necessary for working them; and to establish thereon a family of peasants, who have nothing but their hands; and with whom he commonly agrees, instead of giving them wages, to yield them half of the product as a recompense for their pains. Thence they are called *metayers*, workers on half shares.

“If the land is too bad, this half of the produce is manifestly insufficient to subsist, even miserably, the number of men necessary to work it. They quickly run in debt, and are necessarily turned away. Yet others are always found to replace them, because these are always wretched people, who know not what to do. Even those go elsewhere, often to experience the same fortune. I know some of these *metairies* which, in the memory of man, have never supported their labourers on the half of their fruits. If the *metairie* is somewhat better, the half sharers vegetate better or worse; and sometimes even make some small savings, but never enough to raise them to the state of real undertakers. However, in those times and cantons in which the country people are somewhat less miserable, we find in this class of men some individuals who have some small matter in advance; as for example, so much as will nourish them during a year in expectation of the first crop, and who prefer taking a *metairie* on lease, at a fixed rent, rather than to divide the produce of it. They hope by very hard labour to derive a little more profit from it. These are in general more active,

\* Jones on the Distribution of Wealth, p. 96.

† Treatise on Political Economy, Chapter IV. p. 52. *American edition.*

and gain something if the ground permits, if they are fortunate, if their family is not too numerous, if they have not given too great a rent for the land; that is to say if a number of circumstances rather improbable, have united in their favour. Yet we cannot regard them as true farmers, as real undertakers; since it is always the proprietor who furnishes the gear, the beasts, &c., and they contribute only their labour. Thus it is still proper to range them in the class of half-sharers.

“The mass of beasts, which the proprietor delivers and confides to the half-sharer, is called cheptel. It increases every year by breeding, in places where they raise the young, and the half-sharer divides the increase as he divides the harvest; but on quitting, he must return a cheptel of equal value with that he received on entering; and, as he has nothing to answer, the proprietor or his agent keeps an active watch over him, to prevent him from encroaching on the funds by too great a sale. In some places, the proprietors not being willing or able to furnish the stock of cheptel, there are cattle merchants, or other capitalists, who furnish them, who watch over the half-sharer in like manner, and take half the increase as the interest of their funds; on the whole, it is very indifferent to the half-sharer, whether they or the proprietor do it. In every case we can only see in him a miserable undertaker, without means, weighed down by two lenders at high premiums, (he who furnishes the land, and he who furnishes the cattle,) who take from him all his profits, and leave him but a bare and sometimes insufficient subsistence. It is for this reason that this kind of cultivation is also justly called small culture, although it is exercised on sufficiently large masses of property.”

The instruments by which labour is aided, are thus described:

“The dwellings of the farmers, and still more of the cottagers, are like those of our forefathers half a century ago; the outside having frequently a pool of water in its vicinity, whilst the inside is miserably bare of furniture. Their implements are equally rude, and we discern but too clearly that the price of iron is beyond their reach, being greatly enhanced by the duty on foreign iron, and French iron masters having never been able to supply the market in any quantity with this useful article. Their harrows have wooden teeth, and even the ploughs, in some backward districts, are almost entirely of wood. The cart in common use is an awkward medium between a cart and a wagon, being as long as the latter, and not broader than the former. The singularity to an Englishman, is to see a vehicle of great length and burden, supported by a single pair of wheels. Corn and hay, in France, are not stacked, but housed. The winnowing machine is, in a great measure, and the threshing machine altogether, unknown. Threshing often takes place in the open air, and is in general performed by the flail. In the south of France, the antiquated mode of treading out the corn by horses and mules, is still prevalent.”\*

\* *Encyclopædia Britannica*, Vol. X. p. 176.

Where machinery of a higher order is attempted, its diminutive character is shown by the following statement :

"I know of but few instances in which machinery is used in our agricultural operations. Boring has been twice introduced in the search after subterraneous springs, and one of these attempts only has met with partial success. It would be possible to have recourse to machinery to irrigate our meadows bordering on the river, but I do not think it has ever been thought of. If the grinding of our grain should be considered in the light of an agricultural operation, I ought to quote the mills of Laubardemont, near Coutras; and at Bordeaux, on the lands bordering on the shore, the mill belonging to Mr. Stewart. This last is moved by an excellent steam engine. We have two or three beet-root establishments, also moved by steam; but its success has not yet answered the expectations entertained. The proprietor of one of these manufactories is at present engaged in erecting a sawing mill, to be used in the cutting up of pines into planks, small timber, &c. With reference to new implements, &c., whether for agricultural labour, or for the threshing of corn, or for the more speedy desiccation of hay, the districts of Lespane, Bordeaux, and Libourne, furnish several specimens, which promise a brighter futurity."<sup>\*</sup>

One of the causes of this state of things is to be found in the constant division of property. The unceasing wars in which France has been engaged, have prevented the accumulation of capital for the establishment of manufactures, and there is consequently little demand for labour. The population increases, though slowly, and as all must be fed, whether well or ill, each man desires to obtain a piece of land from which he may obtain food. At the death of the owner of a piece of land barely sufficient to yield himself the means of existence, the sons, who would in England or the United States find employment and subsistence in manufactures, or elsewhere in agriculture, divide among them his little property, to secure at least a portion of the food that is necessary.† In 1833, the number of proprietors was

<sup>\*</sup> M. Joannot, librarian of the town of Bordeaux.—*Bowring's Report*, p. 134.

† It is usual to attribute the excessive division of land to the French law of succession. Thus a recent writer says—

"English agriculture is twice as productive as French agriculture. To what are we to attribute this remarkable difference? It has been attributed, and with much appearance of truth, to the French law of division, which at the death of a French proprietor, separates his land into properties as numerous as his children, and which has thus established, in the greater part of France, a system of agriculture resembling that practised in the greater part of Ireland, where agricultural industry does not appear to be more productive than it is in France."—*Wealth of Nations, Notes by the author of England and America*, Vol. I. p. 35.

In the United States, property is almost always divided among the children of

10,896,682, and this *morcellement* was still going on. To such an extent is it carried in the vicinity of Paris, "that cultivation by the plough is abandoned, and it is necessary to return to that of the spade."\* There are properties upon which the taxes amount to one *sous*, and the value of which is 15 or 20 francs, \$ 3 to \$ 4.† Not only has the system of France in times past tended to the destruction of capital, but the present anti-commercial tendency forbids improvement. Manufactures cannot be extended, unless a market can be secured for their products, and that market cannot be found where restrictions are imposed upon the import of commodities of almost every description, from every part of the world.

A recent American traveller in the Pyrenees and in the south of France, in describing the modes of operation adopted by the peasantry, says:

"I have seen trees nearly twenty feet in circumference, *taken down by the hatchet*, and so hacked and split in the operation, as to be frequently left to rot where they are felled. Upon such occasions, I have often wished that I could have shown the inexperienced natives and ignorant officials, how neatly a couple of Yankee lumberers, with their 'cross-cut saws,' would have taken down the trees. But the unskilfulness of the peasantry is not to be wondered at, neither is the simple nature of their tools a matter of astonishment. The selfish policy of the government is the cause of both. The price of iron is maintained so exorbitantly high, that none but the wealthier classes, (and they but seldom,) are in the practice of using it for any purpose where wood can be substituted. In the south of France, a good useful spade is never seen, an iron rake very seldom; and their saws and other carpenter's tools are of the most inferior quality; indeed, in all their implements for agriculture and other purposes, the French are, (as I once heard a liberal native of that country observe,) a couple of hundred years behind us."‡

On a former occasion we gave§ an extract from Mr. Jacob's

the family, although no law exists by which it is made necessary. Notwithstanding this, there is no such minute division of land as takes place in France, because no man will remain to cultivate a few acres, when he can earn five times as much in any of the cities. Were not the extension of manufactures, in France, prohibited by an anti-commercial system, this *morcellement* would not take place.

\* Chevalier, Vol. II. p. 488.

† Ibid.

‡ The Hon. Mr. Murray says, that their implements are so imperfect that they can only cut through a certain thickness, and large trees are cut at a considerable distance from the ground, leaving the best and soundest part to decay.—*Summer in the Pyrenees*, Vol. I. p. 155.

§ Vol. I. p. 13.

First Report, showing the agriculture of France was conducted on a system that yielded, according to Baron Humboldt, only about four times the seed. In confirmation of that statement we have the official returns of the Department of the Seine, published by order of the government,\* giving the following results :

Wheat,	3.95 times,	Peas,	5.29 times,
Mixed grain,	4.13	Millet and other small grain,	3.60
Rye,	4.52	Potatoes,	12.00
Barley,	4.63	Buckwheat,	3.00
Oats,	5.93		

The change in the agriculture of France, in the 41 years from 1788 to 1829, is shown by the following official statements :

In 1788, there were planted 1,574,432 hectares, producing 27,761,280 hectolitres of wine, being an average of 21 hectolitres per hectare.

In 1829, there were planted 2,026,219 hectares, and the average yield was  $27\frac{14}{100}$  hectolitres per hectare.†

Population has in that time increased 32 per cent.

The product has increased 64 per cent.

The increase in the vineyards has been 28 per cent.

We thus see that the cultivation of the vine, in 1829, was not so great in proportion to the population as it was nearly forty years previously, and that the system had changed so little that the quantity yielded, per hectare, has increased only 30 per cent.

Wine and silk are among the chief products of the agriculture of France, and we now propose to show the condition of this latter. The amount produced was estimated, in 1825, by M. Moreau de Jonnes, at 670,000 pounds, value 15,500,000 francs; but M. Armand Carrier, in 1828, valued it at 60,000,000 francs, giving 2,730,000 pounds.‡ Which of these is correct, we have no means of ascertaining, nor is it of much importance. In either case it is sufficiently extensive to warrant the supposition that machinery of a kind calculated to render labour productive would be in general use, whereas the contrary is the fact, and we find that, "of all silk producing countries, France is that where reeling is least advanced." Divided among a multitude of small proprietors, who breed their own worms, and who reel 6, 10, 15,

\* Paris, 1824.

† Bowring's Second Report, p. 126.

‡ Ibid. p. 26.

or 20 lbs. of silk,\* the reeling offers no guarantee either for quality or strength.† It is, in fact, in a state so rude,‡ that the manufacturers of Lyons, in their Address to the Minister of Commerce in 1829, say, “we employ the silks of France, because they are cheaper, but their imperfections make the use of them, at every step of manufacture, tardy and difficult.”§

Indifferent as is the present state of silk cultivation, the improvement that has taken place since 1815 is very great. Twenty years since, upon a farm yielding leaves for ten or twelve ounces of eggs, which should yield from 80 to 100 pounds of cocoons per ounce, or *nearly one thousand pounds in the whole*, it was considered a good crop, if five or six pounds altogether were produced.|| The *yearly* wages of labourers in the mulberry plantations of Vaucluse, are 250 to 300 francs, (\$ 47 to \$ 56,) with food, consisting of black bread and various kinds of vegetables and potherbs, and a small portion of lard supplied from the pigs who are kept on the farm, and lodging.

At Valence, there are eight men and thirty-seven women and girls employed in the throwing of silk. Their hours of labour are sixteen, deducting two for meals. The wages of men are 35 francs, (\$ 6 50,) and of women and girls 16 francs, (\$ 3 00) per month.¶

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Among the obstacles to the improvement of cultivation is the

\* “The number of small proprietors who reel their own silk is immense; more than half of the whole of the growers; and their reeling is most defective; they have nothing but the rude instruments of ancient days. They employ their ordinary servants, or members of the household, who have little practice, and none of the aptitude that grows out of practice; and the silk obtained being in quantities generally of only one kilogramme, and seldom exceeding 20, (that is from 2 to 44 lbs.) differently reeled, the throwster cannot produce an equal thread, and the imperfection cannot be got rid of in the future progress of the manufacture.”—*Representation of the Manufacturers of Lyons to the French Government*, 1828. *Bowring's Second Report*, p. 28.

† M. Dugas Montbel to the Committee of Commercial Inquiry, quoted by Bowring.—*Second Report*, p. 29.

‡ “Reeling is generally in a rude state, and there have been many attempts on the part of the manufacturers, and of the Chamber of Commerce at Lyons, to obtain the introduction of improvements by legislative interference. \* \* They have proposed as a model, the Sardinian law of 1724, which requires that every reeling establishment shall be licensed by the government, and submitted to the inspection of the authorities.”—*Bowring's Second Report*, p. 28. The growth of capital is destroyed by interferences with the rights of property, and new interferences are then demanded, with the hope of correcting the evil effects produced.

§ Bowring's *Second Report*, p. 29.

|| Report on the Department of the Vaucluse, by Messrs. Thomas.—*Bowring's Second Report*, p. 48.

¶ *Ibid.* p. 49.



existence of the right of *vaine pature*, that is the obligation imposed, in a great part of France, upon the proprietors of meadows, not enclosed, *to permit them to be used as common pasture grounds, immediately after the cutting of the first crop.\** The effect of this interference with the rights of property is to deprive the proprietor of a second crop, and to forbid his making any effort for the improvement of land, from which so large a portion of the fruits are to be gathered by others.

*Nearly twenty millions of acres remain in common, presenting a universal appearance of poverty and of sterility,†* although experience proves that a large portion might advantageously be brought into cultivation, whilst at present it affords but a miserable subsistence to the cattle of the neighbourhood in which they exist.‡

The general character of French agriculture is thus given by Comte de Laborde:

“With the exception of Normandy and Flanders, provinces which, by their vicinity to England and the Netherlands, have participated in their improvements, the greatest part of the territory of France is a prey to ignorance and to routine. On vast bodies of land, too distant from habitations, and held under leases too short to admit of their being cultivated with care, we still find the wretched system of fallows, so well described as *periodical idleness*, while others are divided into little pitiful *metairies*, which scarcely yield sufficient to feed the proprietor and his metayers. From them no savings can be accumulated, and consequently upon them no improvements can be introduced. A race of sorry and lank cattle is thinly scattered over this immense surface, and if we find some portions cultivated with care, such as Normandy, Flanders, Touraine, &c., they cause us to feel the greater regret at the negligence of the others. In a large portion of Burgundy, of Champagne, and of Franche-Comté, they know nothing of folding sheep, and they are unacquainted with artificial meadows; the soil is given up to exhausting crops, or to the rotation of weeds. The farmers, like the labourers, are coarse peasants, who can neither read nor calculate, eating black bread throughout the year, and without energy to overcome the unfortunate circumstances in which they are placed.”§

Under such circumstances, it is not extraordinary that wages

\* Villeneuve, *Economie Politique Chretienne*, Vol. III. p. 324.

† “Toute propriété indivisée ne profite à personne—le gaspillage, l’oisiveté et tous les vices qui en resultent, y sont en permanence.”—*Tableau de la Vie Rurale*, par M. Desormeaux, t. I. p. 95.

‡ Villeneuve, t. III. p. 343.

§ Quoted by Villeneuve, t. III. 277.

are low. In Medoc, a married labourer receives—of money, 135 francs, of barley 47 francs, of wine 50 francs, and of wood, &c., 28 francs; total, 250 francs, or \$47, for his year's labour.\* Female labour is stated by M. Dupin to be worth, in different parts of France, only from five to twenty-five centimes per day.† The average being 15, would give, per annum, supposing employment to be steady, about 45 francs, equal to \$8 40, or 35s. sterling.

The *Ponts and Chaussées* pay their labourers, according to M. Dupin, 36 francs, equal to \$6 75, per calendar month.‡ As this is considerably above the average rate of wages when men are engaged by the year, it follows that it can be only for a part of the year that they are employed. The difficulty of obtaining steady employment throughout the year, is shown by the fact that in winter labourers may be obtained for their board and lodging.§

The condition of the agricultural labourers of France, at the present moment, resembles that described as existing in Scotland,|| seventy years since, and now existing in Ireland. Capital is scarce; employment in manufactures is obtained with difficulty; every man desires a piece of land, to enable him to obtain food; the product barely enables him to subsist, and he is unable to accumulate capital.

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IN ENGLAND,¶ capital abounds, and the improvement in agriculture has been very great; yet it is by no means in the condition that might have been supposed. We have already shown,\*\* that three, four, and five horses are employed in the tillage of the lightest soils, and that on heavy soils, even seven are sometimes employed.†† Two men are, of course, required for a plough, and there is generally ploughed only three fourths of an acre per day.

\* Bowring's Second Report, p. 144. † Forces Productives, t. I. p. 89. ‡ Ibid. p. 263.

§ The quantity of vines in the canton (Pauillac) is so great that it is necessary to employ many strangers. They come principally from Saintonge and the neighbouring communes of the Landes. They also come from the Pyrenees; the latter pass the winter in the country, and perform all the heavy labour of digging, in consideration of their board and lodging. With respect to wages, they vary annually, being from 70 cents to fr. 1.20 (13 to 22 cents,) and sometimes fr. 1.50 per day. Women and children receive half of what is paid to men.—*Replies to Questions proposed by the Academy of Bordeaux, on the Cultivation of the Vine*.—Bowring's Second Report, p. 148. || Vol. I. p. 66.

¶ In speaking of England, we refer always to England and Wales.

\*\* Vol. I. p. 263.

†† "Three horses, or even four, are still often seen in a plough, yoked one before the other. Ill habits do not go out at once."—Sir Walter Scott's *Diary of his Journey through England*. *Memoirs*, Vol. VI. p. 354.

A recent writer states himself to have seen,

"In Glamorganshire, [Wales,] a farmer carrying home a part of his harvest by means of a procession of twelve little carts, each drawn by one horse, with a man or woman riding upon it, and followed by a train of twelve single horses, each having a man or woman riding in like manner, and carrying behind them merely two or three sheaves of corn, tied up in bags, whilst the whole convoy, though consisting of twenty-four riders and horses, and twelve carts, did not carry home more corn than would have been a load for an English wagon, nor perhaps so much."\*

The introduction of machinery has been at all times discouraged, by the opposition made thereto by the labourers. The threshing machine has been but recently introduced,† and the cradle is now used only in some few parts of England. In general, improvements in the machinery used in aid of agricultural labour have been but few, and they have been adopted but slowly.‡

Notwithstanding this, the increase in production has been very great, although but moderate compared with that of Scotland, which has been free from the interference of tithes.§

\* Adams on English Pleasure Carriages. London, 1837.

† "The threshing machine is now pretty common. In the southern counties, indeed, into which its introduction has been comparatively recent, it has lately become the object of popular attack; and to such an extent has the prejudice against it been carried, that in many districts, the farmers have been obliged to demolish such as were erected."—*M'Culloch's Statistics of British Empire*, Vol. I. p. 467.

‡ "Throughout all England there is a multitude of agriculturists, surpassed by none in the world for intelligence and spirit, and many things in the agriculture of the country are deserving of the highest praise; but it cannot be concealed that in the simplifying and economising of labour there is much to be learned and effected. It is in this respect that the methods of English tillage, especially in the southern counties, admit of the greatest improvement. By a more efficient application of the means of labour, a wide field of beneficial improvement is open over a great part of this rich and beautiful country; and one of the most useful services that can be rendered to the farmers of many of the finest districts of England, is to show them how the operations of the field can be more cheaply performed."—*Low's Agriculture*, Preface, p. x.

"Considering the wonderful facilities of communication that exist in Great Britain, and the universal diffusion of information by means of the press, the slowness with which agricultural improvements make their way is not a little surprising. Mr. Harte mentions that, when he was a youth, he heard Jethro Tull declare that though he had introduced turnips into the field in king William's reign, with little trouble, expense, and great success, the practice did not travel beyond the hedges of his own estate till after the peace of Utrecht. It might, one should think, be reasonably enough supposed that improved practices would now be much more rapidly diffused; but experience shows that this is not really the case. What is well known and systematically practised in one county, is frequently unknown, or utterly disregarded in the adjacent districts; and what is to every unprejudiced observer evidently erroneous and injurious to the land, is, in some quarters, persisted in most pertinaciously, though a journey of not many miles would open to view the beneficial effects of a contrary practice."—*M'Culloch, Statistics*, Vol. II. p. 545.

§ See Vol. I. p. 263.

From 1760, to 1833, it is estimated that nearly six millions of acres\* have been brought into cultivation; and the produce per acre is vastly greater than in the former period, as is evident from the fact, that with an addition of nine millions to the population, there has been, for seven years past, no occasion for the import of foreign corn, although the consumption per head is greatly increased.

In consequence of the difficulty offered by tithe to the extension of tillage, an unusually large portion of the land of England, (estimated at more than one half,†) is appropriated to grazing,‡ and it is here that the improvements have been greatest. Since 1740, the weight of cattle sold at Smithfield has more than doubled, the average of that year having been 370 pounds, while the average weight of the present time is estimated at 800 pounds. Sheep have almost trebled in weight, having increased from 28 to 80 pounds.§ The same number of sheep that in 1800 produced 384,000 packs of wool, produced in 1830, 430,000.|| The improvement in the breed of horses has also been exceedingly great.

The wages of agricultural labour are thus given to the Commissioners on the Poor Laws, in reply to the question "what might be earned by a labourer, his wife, and four children, aged 14, 11, 8, and 5 years?"

856 Parishes, give for the man, an average of	-	£ 27 17 10
668 Ditto, for the wife and children,	-	13 19 10
		£ 41 17 8†

Equal to \$ 201 04

We have here an average of \$ 134, per annum, as the wages of the labourer, and \$ 13 50 for each member of his family.

Mr. Cowell, after a very careful examination, arrived at the conclusion that the lowest average that could be assumed as the income of a labourer's family, was £ 38. In making this calculation, he omitted, purposely, many items that would, we think,

\* Encyclopædia Britannica, Vol. VIII. p. 764.

† M'Culloch, Statistics, Vol. I. p. 485.

‡ "The superior attention paid to stock husbandry, in England, may also, it is probable, be to some extent ascribable to the circumstances of the tithe pressing, with comparative lightness, on pasture land, whilst it falls with its full weight on arable land, and operates powerfully to prevent the outlay of capital upon it."—*Edinburgh Review*, January, 1836, p. 175. *American edition*.

§ Ibid. p. 173.

|| Ibid. p. 175.

¶ Preface to Foreign Appendix of Report on Poor Laws.

justify him in making "large additions" to that amount.\* We may, therefore, fairly assume the average earnings of the family of an agricultural labourer at not less than £ 40.

In the UNITED STATES, the high price of labour induces every exertion to diminish the quantity required in agricultural, as well as manufacturing operations, and the rapid growth of capital enables the farmer to possess himself of the machinery required therefor. The plough generally in use is of a different construction from that commonly used in England, and one man and two horses plough without difficulty, in a light soil, an acre per day. Three horses, and sometimes even four, are used for breaking up of sod, or ploughing a very heavy soil. The horse-rake and the cradle, both of which are of American invention, are in general use, and diminish greatly the cost of production. In every species of agricultural operation machinery is introduced, and the consequence is a vast increase of productive power.† In the minor operations connected with farming, its almost universal introduction tends to render the aid of women and children productive in numerous cases where attention is more required than bodily labour.‡

The cotton gin, also invented in the United States, has rendered cotton the most important production of the world, and has reduced its cost so as to enable the poorest labourers to clothe themselves in better garments than were accessible, in former times, to persons in easy circumstances. In 1791, the whole amount exported was about six thousand bales; but at the present time the production exceeds a million and a half of bales.

The increase in the product of wool, has also been very great. The number of sheep, in 1837, ascertained by careful investigation, was about 13 millions, yielding 42 millions of pounds,§ the average price of which is stated to be 50½ cents, and amounting to 21 millions of dollars.||

\* Report of J. W. Cowell, Esq., to the Commissioners on the Poor Laws, p. 161.

† "Tall, slender, and well made, the American appears built expressly for labour. He has not his equal in the world, for rapidity of work. None so readily fall into new modes of practice. He is always ready to change them, or his tools, or even his trade. He is a mechanist in his soul. \* \* \* There is not a countryman in Connecticut, or Massachusetts, who has not invented his machine."—*Chevalier, t. II. p. 121.*

‡ "The inventive spirit of the people of New England and of their descendants throughout the Union, is displayed in the production of machinery for economising the time and the labour of their wives."—*Ibid. t. I. p. 476.*

§ The annual production of Great Britain is 117,600,000 pounds, value £ 7,500,000 = \$ 36,000,000 per annum.

|| Burton and Barry's Statistical View.

The culture of silk has been but recently introduced, but it is increasing with great rapidity, and in consequence of the improvements that have been made therein it is found so profitable that there cannot be a doubt that it will become one of the most important of their products.\*

The consumption of food, per head, is greater than in any other country whatever. It is all supplied at home, and a considerable surplus is generally afforded for exportation. They supply themselves with cotton, and furnish to other countries a very large proportion of the whole quantity required to supply the consumption of the world. The chief part of the wool required for clothing, carpeting, &c., is produced at home. They grow large quantities of hemp, used for cotton bagging and other purposes. The export of tobacco is about ten millions of dollars.

Great attention is given to the improvement of the breed of cattle, and considerable numbers are imported from England, where the best stocks are to be found. As evidence of the anxiety that prevails on this subject, we give below the prices obtained at a recent sale in Ohio, varying from \$ 1000 to \$ 1700 = £ 200 to £ 350, for a single animal, and for a cow and calf, \$ 2,225, or £ 462 sterling.† Not less is the desire to improve the breed of

\* In confirmation of the views we have submitted, that the return to labour constantly increases as man is enabled, by the aid of capital, to apply himself to the cultivation of the inferior soils, we offer the fact, that the sandy and almost useless soils of New Jersey, Delaware, Maryland, Virginia, and North Carolina, are now likely to be brought into action for the culture of silk, yielding a larger return to labour than the best wheat lands of Pennsylvania. All the capital that has been for a century and a half expended on those lands has failed to give them value, but a small additional investment will now render them highly productive.

† Fifty head of Durham cattle, belonging to the Ohio Company, were recently sold at Chillicothe, for \$ 36,443. The following are among the prices obtained for some of these cattle:—

Matchem, bought by Abraham Renick,	-	-	-	\$ 1200 00
Young Waterloo, " Governor Trimble,	-	-	-	1700 00
Duke of York, " R. R. Leymerer,	-	-	-	1100 00
Comet Halley, " ditto,	-	-	-	1505 00
Experiment, " Governor Trimble,	-	-	-	1400 00
Nimrod, " E. Florence,	-	-	-	1040 00
Duke of Norfolk, " Governor Vance, and J. H. James,	-	-	-	1400 00
Goldfinder, " I. Cunningham,	-	-	-	1095 00
Blossom, cow, " R. R. Leymerer,	-	-	-	1000 00
Matilda, " " A. Watts,	-	-	-	1000 00
Moss Rose, " " J. Renick,	-	-	-	1200 00
Malia, " " I. Cunningham,	-	-	-	1005 00
Flora, and calf Powhatan, G. Renick,	-	-	-	1805 00
Young Mary, and calf Pocahontas, E. J. Harness,	-	-	-	1500 00
Tees Water, and calf Cometess, J. J. Vanmetre,	-	-	-	2225 00

horses, and for this purpose many have been imported at great cost.\*

In the conversion of grain into flour, the improvements of the last half century have been very great, and all have originated in the United States. They possess the largest flour mills of the world. One at Richmond, (Virginia,) has 20 pairs of stones, and is capable of grinding nearly 600 barrels of flour per day. In the western part of New York, they are of great size. In the town of Rochester alone, there are 21 mills, with 95 pairs of stones. It will readily be seen how small must be the proportion required by the miller as toll, when business is carried on, almost without manual labour, on so large a scale.

Agricultural wages vary from \$8 to \$12 per month, with board. Taking the lowest of these rates, and adding \$1 50 per week for board and lodging, we should have \$174 as the annual wages of common labour, which we believe does not vary materially from the fact. To this must be added one third for the earnings of his wife and children, giving the amount of \$232, or £48 6s. 8d. for the support of the family.

#### MANUFACTURES.

The quality of labour employed in manufactures in INDIA, is exceedingly low. In that of cotton, the fine yarns are spun with an iron spindle and without distaff, and the coarse yarns on a small, miserable wheel, turned by hand. The hand mill is used to free the cotton from its seeds, and the bow to tease it. The following capital is required for the weaver's business; a loom, 2½ rupees; sticks for warping, and a wheel for winding, 2 anas; a shop, 4 rupees; thread for 2 ready money pieces, worth 6 rupees each, 5 rupees; total, 11 rupees 10 anas, (nearly \$6,) to which must be added a month's subsistence. The man and his wife warp, wind, and weave 2 pieces of this kind in a month, and he has 7 rupees profit; deducting, however, the tear and wear

\* "But we must go farther afield—to the New World, indeed,—for a young racing country, and one in which it would appear, by the encouragement given to its growth, that the system will soon arrive at maturity. 'It is lucky,' says Baron Biel, in one of his letters to me, in the course of the present year, 'that we Continental people do not come into competition with the Americans; for, unless they neglect their breeding studs, they must soon be on a par with England, as they get your best stallions.' The spirit with which these people enter upon the pursuit of racing, is certainly not only astonishing, but very much to their credit; for as Dr. Johnson said, 'whatever is worthy of being done at all, is worthy of being done well.' Think of the prices they give! Three thousand five hundred guineas for a stallion, that might die on his passage! Why it is unprecedented in the annals of the mother country, and is likely to remain so."—*Sporting, by Nimrod*, p. 101.

of his apparatus. A person hired to weave, can, in a month, make 3 pieces of this kind, and is allowed 2 anas in the rupee of their value, which is  $2\frac{1}{4}$  rupees (4s. 6d. or \$1) a month. The finest goods cost 2 rupees for weaving.\*

The characteristics of the manufactures of FRANCE are inferior machinery and small production, of which a very large *proportion* is retained by the owner of the machine, or capitalist, who works with a very small capital.

The most important improvements made in France are those connected with the manufacture of silk; viz. the bar-loom, and the Jacquard machinery,† by which patterns of every description are produced with extraordinary facility. How far they have been adopted, will be shown by the following statement. There are in France, 23,500 riband looms, 18,000 of which are of the old construction, called the *basse lisse*; and the remaining 5,500 are of the new construction, termed the *haute lisse*. The Jacquard mechanism is used with two thousand of the latter.‡ More than three fourths are, therefore, of the old construction, which are described as “rude and cheap, averaging, perhaps, not more than 15 to 16 francs in value.”§ There are few cottages without one or more, and the occupation of weaving fills up the hours that are not employed in the business of the small farm.

At Lyons, there is only one large factory establishment.||

\* Baines's History of the Cotton Manufacture, p. 72.

† “The Jacquard machinery subjected its inventor to be almost hunted out of society; the introducer of the bar-loom, died in a hospital; and the late employment of the common loom for weaving would never have been sanctioned, had not the riband trade actually departed from Lyons, and forced the manufacturers there to new exercises of ingenuity, in order to win it back again.”—Bowring's Second Report, p. 20.

‡ Bowring's Second Report, p. 42.

§ Ibid. p. 45.

|| The disturbed state of Lyons has prevented the accumulation of capital, and the consequences are found in the fact that there is only one large establishment. The natural result is that,

“On the whole, there has been a considerable tendency to decline in the rate of wages at Lyons.” Dr. Bowring adds that, “though the manufacture has undoubtedly increased, the increase of the population has gone on faster than the increase of demand for silk goods. In the last 20 years, the lowering of the average earnings of the weavers can hardly have been less than 30 per cent. There has been some compensation in the improved methods of fabrication, and relief has also been given by the large demands of the conscription, and by considerable migrations of artisans from the towns, to resume agricultural labours which they had abandoned. The number of strangers is also considerable among the manufacturing population, and these, in urgent cases, are sent away by the authorities. Agriculture offers great resources in France; the minute division of the soil, (more



About three sevenths of the looms are worked by master workmen, (small capitalists, who own a few looms,) one seventh by children and apprentices, and three sevenths by journeymen, called *compagnons*.\* The average earnings of the latter, are stated by Mr. Bowring at 30 sous (28 cents) per day; but on a new article, they are sometimes 2 to 3 francs (37 to 56 cents). Were we to take the average at 30 sous, we might not be far from the truth, were employment steady; but it is the characteristic of such a state of things as that existing in France, that employment is unsteady and the hours of idleness form a large deduction from the earnings of those which are employed. We are therefore disposed to believe that the calculation of 1½ francs per day, or 450 francs per annum, is a very high one.

At Avignon, in the silk manufacture,

"The best workmen may gain from 2.50 to 3 francs per day; the next class may gain from 1.50 to 1.75; and the inferior workmen may gain from 1 to 1.25 francs, equivalent to 800 or 900 francs, as a maximum; 300 to 400 francs, as a minimum; and 500 to 600 francs, as an average of annual earnings."†

Of the lower priced stuffs, a great proportion are woven by women, whose wages are stated as exceedingly low.‡ The winding and warping are chiefly done by women and children. The wages of winders are stated to be from 1 to 1.50 francs per pound, which quantity is more than can be produced in a day. The women employed in warping are stated to earn from 1 to 2 francs per day.§

than six millions of properties being rated to the land tax,) enables any person to invest a small sum in freehold, and a very small freehold will give the means of support. A few mulberry trees, and a shilling's worth of silk worms' eggs, are a protection against absolute want, and there never has been a period in which their produce has been difficult of sale."—*Bowring's Second Report*, p. 36.

The reasoning of the above passage is exceedingly defective. They resort to agriculture, not because it offers "great resources," but because they are forced to seek for that food of which they are deprived by regulation. If we were to say that the grinding of corn offered great resources, because any man could obtain two stones and pound between them a given quantity, whereby he might save himself from starving, it would be deemed an extraordinary position, yet it would be equally correct with the assertion of Dr. Bowring. Agriculture in France *does not offer great resources*, because it is carried on without capital. Under a different system, the labourer would earn far more in working for others, than he now obtains in working for himself.

\* "In 1824, Lyons had 26,000 looms at work. In 1828, the number was reduced to 15,000. Those of Zurich, rose from 3,000, in 1815, to 5,000, in 1828. The falling off in the former, is attributed to the high price of labour."—*Ville-neuve*, Vol. I. p. 333. *Labour is always dearest, where it is least aided by capital.*

† *Bowring's Second Report*, p. 50.

‡ *Ibid.* p. 35.

§ *Ibid.* p. 41.

At Mulhausen, which is styled the Manchester of France,\* one adult and two children are requisite for the management of 200 *coarse* threads, and they gain *among them* about 2s. (48 cents,) at coarse work. At Manchester, or Bolton, one adult and two children can manage 758 threads, and gain among them 5s. 6d. per day.† Thus, although wages are so much lower in France, the difference of product is so great that the cost, in money, of the commodity produced is greater than in England. In the former, four men and two children are required to manage 800 threads, for which they receive 8s., while in the latter one man and two children are capable, *with the best machinery*, of doing the same, and their wages are 5s. 6d.‡ One of the most intelligent of the witnesses examined by the Factory Commissioner, stated that if he had “a shop of men” in France, for any kind of work, he must have twice the number of hands to do the same quantity; that he must have twice as large a building, twice as many clerks and book-keepers, and over-lookers to look after them, twice as many tools, &c.§

Dr. Bowring estimates the inferiority of the machinery used in the cotton manufacture at about 25 per cent., and that of French labour, *for a given number of hours*, at 20 per cent. It may not probably exceed that in the large establishments where labour is aided to a considerable extent by capital, but from the number of persons required for the conversion of a given quantity of cotton, much of the machinery must be rude, as we have shown to be the case in regard to the manufacture of silk, and, of course, the *average* inferiority must be much greater. The quantity consumed in the year 1832 was 82 millions of pounds, and according to the estimates furnished to the French Ministerial Commission, the number of operatives is from 600 to 800 thousand.|| The consumption of Massachusetts, in 1835, was nearly 14 millions of pounds, and the number of persons employed in all the cotton mills was 19,754.¶ It is true that in France the production consists, to a certain extent, of fine and fancy goods, but the chief part of the cotton that is used is required for home consumption, and the cloth is not superior in quality to that usually made at Lowell.

\* Preface to Factory Tables, by J. W. Cowell, Esq., p. 119.

† Ibid.

‡ Ibid.

§ Ibid.

|| Baines's History of the Cotton Manufacture, p. 522.

¶ Statistics of the Manufactures of Massachusetts, prepared from official returns. Boston, 1838.

The *daily* wages are thus stated—

Men, 1.25 to 2 francs; 2.50 to 3 francs, = (23 to 56 cents.)

Women, 70 to 1.50 and 2 francs, = 12½ to 37 cents.

Children, 25 to 60 centimes, = 4½ to 11 cents.\*

The wages for steady employment must be estimated much lower, and if we take the average earnings of men at 400 francs, of women at 300 francs, and of children at 100 francs, we shall not probably be under the truth.

The manufacture of iron is stated to be in a barbarous condition.† That such is the case is not extraordinary in a country so deficient as France in the means of transportation. Iron and coal exist in sufficient quantity, but they are not in immediate connexion. Deficiency in machinery causes mining to be expensive, and the want of canals and rail roads makes their transportation highly expensive.‡ At Ronchamp, both men and women work in the mines, and wages are about 12 francs, (\$2 25,) per week. Low as is this rate of wages, the cost of coal, *at the mouth of the pit*, was 25 sous, (*a quarter of a dollar*;) per hundred weight, or \$5 50 per ton.§ The effect of the high price of fuel is that, in Normandy, persons engaged in various works of hand, such as lace-making by the pillow, *absolutely sit up through the winter nights, in the barns of the farmers, where cattle are littered down, that they may be kept warm by the animal heat which is around them*. They sleep in the day.||

The average capitals employed in various departments of manufacture, will be seen by the following statement which we obtain from the official tables published by the Prefect of the Department of the Seine. The only manufacturer of glass in Paris.

\* Baines's History of the Cotton Manufacture, p. 524.

† Chevalier, t. I. 354.

‡ "There are few, almost no forests in the vicinity of the forges, consequently the charcoal has to be transported from immense distances, sometimes fifty miles of land carriage; thus rendering the material produced, rather an article of luxury than a useful commodity."—*Summer in the Pyrenees, by the Hon. J. E. Murray, Vol. I. p. 224.*

"The mules employed in transporting the ore from the mines to the forges, are furnished each with a pair of panniers, in which they can only convey a small quantity, and as it is none of the purest, it thus requires many mule loads to produce a small weight of iron."—*Ibid. Vol. I. p. 71.*

§ Evidence of Edwin Rose. Preface to Factory Tables, by J. W. Cowell, Esq., p. 1197. "The mean price at the mines, throughout France, is stated at 975 francs per quintal, equal to about ten francs = \$1 87, per ton."—*Aperçu Statistique de la France, p. 39.*

|| Results of Machinery, p. 51.

employs a capital of 375,000 francs, (\$ 75,000.) The manufacturers of beer average 50,000 francs, = \$ 10,000. Those of

	Francs.	Dollars.		Francs.	Dollars.
Ink,	8,000	= 1,600	Muriatic acid, and		
Borax,	3,000	= 600	soda,	62,000	= 12,400
Camphor,	1,800	= 360	Sulphate of qui-		
Salt,	30,000	= 6,000	nine,	12,000	= 2,400
Saltpetre,	25,000	= 5,000	Vegetable oils,	70,000	= 14,000
Iodine,	22,000	= 4,400	Beef's foot oil,	9,000	= 1,800
Potash,	1,800	= 360	Glue,	15,000	= 3,000
Eau de Javelle,	3,000	= 600	Animal black and		
Sub chlorate of			sal ammoniac,	37,000	= 7,000
lime,	6,000	= 1,200	Wax,	2,000	= 400
Corrosive subli-			Iron foundries,	337,000	= 67,000
mate,	3,000	= 600	Refinery of lead,		
Chlorate of potash,	500	= 100	copper, &c.,	80,000	= 16,000
Nitric acid,	11,000	= 2,200	Wrought lead,	112,000	= 22,000
Sulphuric acid,	57,000	= 11,400			

These amounts are very small, and we shall have occasion to show that the *proportion* of the product required by their owners is exceedingly large, as is always the case when labour is of inferior quality.

The generally diminutive character of the manufacturing establishments throughout France, is shown by the following statements derived from M. Dupin. At Ingouville and Havre are 17 chair factories, whose product amounts to 136,000 francs, = \$ 27,000, being an average of \$ 1640 each.\* In the department of the Eure are 1511 manufacturing establishments of various kinds, including cotton, wool, paper, iron, &c., producing commodities to the amount of 26,772,297 francs, = \$ 5,019,805, being an average of \$ 3,285 to each establishment.† This sum *includes the value of the raw materials used*, constituting a very important portion of the amount here given as the product of the labour of the department.‡

\* Forces Productives, Vol. II. p. 22.

† Ibid. p. 61.

‡ "The cotton cloths manufactured in a year, in a *single building* at Lowell, are worth nearly \$ 400,000. Those produced in the several buildings belonging to a single concern, are worth above a million and a half of dollars, almost one third the value of the manufactures of the Department of the Eure, with a population of 437,000. An extensive nail factory at Vassy, produces 1,500,000 kilogrammes, or about 800 tons per annum. In the United States, there is one establishment capable of producing about 8000 tons per annum. The *boots and shoes* manufactured in Massachusetts are nearly three times as valuable as the products of the department of the Eure. The total product of the *factories and fisheries* of Massachusetts is 91 millions of dollars."—*Statistics of the Manufactures of Massachusetts*. The population exceeds by only sixty per cent. that of the department.

We shall now proceed to compare the quality of the labour of ENGLAND and the UNITED STATES, employed in the several branches of manufacture, commencing with that of cotton.

The number of persons in the United States, employed therein, in the year 1832, was thus stated by the New York Convention.

18,539 males,	4,691 children,
38,927 females,	4,769 hand weavers,

Total 66,926, earning weekly \$ 197,800.

Average of weekly wages, \$ 3, or 12s. 6d. sterling.

It thus appears, that of the persons employed in the production of cotton cloth, only 7 per cent. were of that class whose exertions were aided by machinery of an inferior order. On the first of January, 1837, there were in the town of Lowell alone, 4667 looms, being nearly equal to the whole number of hand-loom weavers in 1832, since which time it is not probable that there has been any increase.

The whole number of power-looms in England, in 1820, was 14,150—in 1829, it had risen to 55,500, and is now supposed to be 85,000, which, with 15,000 in Scotland, would give a total of 100,000. During this time it is supposed that the number of hand-looms has rather increased, and is now estimated at 250,000.

The condition of the weavers is thus described :

“ ‘The hand-loom weavers,’ says Dr. Kay, speaking of those living in Manchester, ‘labour fourteen hours and upwards daily, and earn only from five to seven or eight shillings per week. They consist chiefly of Irish, and are affected by all the causes of moral and physical depression which we have enumerated. Ill-fed, ill-clothed, half-sheltered, and ignorant—weaving in close, damp cellars, or crowded, ill-ventilated workshops—it only remains that they should become, as is too frequently the case, demoralized and reckless, to render perfect the portraiture of savage life.’ The statement that the weavers work fourteen or sixteen hours per day, has been so often made, that it is now generally believed. The fact, however, is, that they work these long hours only two or three days in the week, and they generally, notwithstanding their poverty, spend one or two days in idleness; their week’s labour seldom exceeds fifty-six or fifty-eight hours, whilst that of the spinners is sixty-nine hours. This irregularity on the part of the weavers is to be ascribed in some degree to the wearisome monotony of their labour, from which they seek refuge in company and amusement; and also to their degraded condition, which makes them reckless and improvident.”\* †

\* Baines, p. 485.

† The causes for their continuance in an employment so degrading, and the effect upon their character, are thus stated:

Wages must depend upon production, and the following statement will at once satisfy the reader, that low as are those received by the weavers, they are fully equal to their deserts as producers.

"These were the occasions and direct causes of the lamentable fall in weavers' wages; but their effects could not have been so serious if there had not been permanent causes, belonging to the nature of the employment itself. Of these, the *first* and grand cause, is the *easy nature of the employment*. The weaving of calicoes is one of the simplest of manual operations, understood in a few moments, and completely learnt in a few weeks. It requires so little strength or skill, that a child eight or ten years of age may practise it. A man brought up to any other employment may also very shortly learn to weave. From the facility of learning the trade, and from its being carried on under the weaver's own roof, he naturally teaches his children to weave as soon as they can tread the treadles, if he cannot obtain places for them in a factory. Thus they begin at a very early age to add to the earnings of the family, and the wife also toils in the same way to increase their scanty pittance. But it is obvious, that that which is only a child's labour, can be remunerated only by a child's wages. There are large departments of hand-loom weaving, which are almost entirely given up to women and children, and their wages go far to regulate all the rest. The men, where they are able, procure better kinds of work; and where they are not able, they must put up with the most paltry earnings.

The second cause for the low wages of weavers is, that their employment is in some respects *more agreeable*, as *laying them under less restraint than factory labour*. Being carried on in their own cottages, their time is at their own command: they may begin and leave off work at their pleasure: they are not bound punctually to obey the summons of the factory bell: if they are so disposed, they can quit their loom for the public-house, or to lounge in the street, or to accept some other job, and then, when urged by necessity, they may make up for lost time by a great exertion. In short, they are more independent than factory operatives; they are their own masters; they receive their materials, and sometimes do not take back the web for several weeks; and—what is a lamentable, but far too common occurrence—they have the power, in case of urgent necessity or strong temptation, to embezzle a few cops of their employers' web in order to buy bread or ale. All this makes the weaver's occupation more seductive to men of idle, irregular, and dissipated habits, than other occupations. It is a dear-bought, miserable liberty, but, like poaching or smuggling, it is more congenial to some tastes, than working under precise restrictions for twice the remuneration. The mention of this unquestionable fact by no means implies a charge against the weavers, that they are all of loose habits and morals; but it helps to account for many continuings at the loom, notwithstanding the wretchedness of their circumstances."—*Baines*, p. 485.

"The weekly wages of several classes of hand-loom cotton weavers, in each year, from 1810 to 1825, have been given in a table at p. 438; and their wages in 1832 are given in a table at p. 439. The former states the wages of the weavers of calicoes at the astonishing low rate of 4s. 3d. in the year 1825; but these goods were chiefly woven by women and children. The latter table does not mention the prices paid for calicoes; but it shows that in 1832, the average wages for weaving common checks, common nankeens, and cambrics, all of which are woven principally by women and children, were from 6s. to 6s. 6d., 7s., and 8s.; the wages for fancy checks, woven by men, were 7s. to 7s. 6d.; and for fancy nankeens and quiltings, from 9s. to 12s., 13s., and even 15s. Mr. George Smith, of the firm of James Massey and Son, of

“A very good *hand weaver*, 25 or 30 years of age, will weave two pieces of 9-8ths shirtings per week, each 24 yards long, containing 100 shoots of wefts in an inch; the reed of the cloth being a 44 Bolton count, and the warp and weft 40 hanks to the lb.

“In 1833, a steam-loom weaver, from 15 to 20 years of age, assisted by a girl about 12 years of age, attending to four looms, can weave *eighteen* similar pieces in a week; some can weave twenty pieces.”\*

In a description of the cotton goods made in Lancashire,† it is stated that *the only goods that are the product of the power-loom exclusively*, are stout printing calicoes. Stout calicoes for domestic purposes, as sheetings, coarse shirtings, &c., cotton shirtings, and small wares, are said to be *chiefly* the product of the power-loom. Cotton velvets, velveteens, &c., are made at both power and hand-loom; but all other articles, *including common printing calicoes*, are made at hand-loom.

Here it will be seen that inferior machinery is still used for the manufacture of the commonest articles, and while such is the case—while human labour undertakes to compete with machinery—wages must necessarily be low. In the extract above given, it is shown that two thirds or three fourths of the weavers in *Scotland* are also employed in the production of plain goods.

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Manchester, gave evidence before the Committee of the House of Commons on Manufactures, Commerce, &c., in July, 1833, that the weavers of calicoes in the neighbourhood of Burnly and Colne earned little more than 4s. per week net wages: these, however, were almost all children; of the whole number of hand-loom cotton weavers in the kingdom, which he estimated at 200,000, he supposed that 30,000 earned this low rate of wages; whilst the remaining 170,000 would only earn 6s. or 7s. a week: in the neighbourhood of Manchester he thought the average would be 7s. Mr. John Makin, a manufacturer of Bolton, stated before the Committee of the Commons on Hand-loom Weavers, in July, 1834, that a weaver of the kind of cambric most commonly produced there, namely, a six-quarter 60-reed cambric, 120 shoots of weft in an inch, could only weave one piece in a week, the gross wages for which were 5s. 6d.—subject to a deduction of about 1s. 4d. Hugh Mackenzie, a hand-loom weaver of Glasgow, informed the same Committee, that the average net wages of the weavers of plain goods in that city and neighbourhood, would scarcely amount to 5s. per week. Mr. William Craig, a manufacturer of handkerchiefs and ginghams at Glasgow, stated the net wages of weavers in that department to be 4s. 6d. to 5s. a week; and Mr. Thomas Davidson, a manufacturer of fancy lappet goods in that city, stated the wages of the plain weavers to be from 5s. to 5s. 6d. net on the average, and that the plain weavers were two thirds or three fourths of all the hand-loom weavers in Scotland, whilst the remaining one third or one fourth earned on an average about 8s. a week. On the proceedings of the Committee on Hand-loom Weavers, it may be observed, that the selection of the witnesses, and the mode of examining them, show some disposition to make out a case; and the most unfavourable view of the weavers' condition is presented.”—*Baines*, p. 486.

\* *Ibid.* p. 240.

† *Ibid.* p. 418.

We will now proceed to compare the proportions of males and females, adults and children, employed in the mills in the two countries.

In 1833, the whole number employed, in England, was estimated at 212,800, of whom 43,703 were below 14, and 39,554 between 14 and 18.\* Taking one half of the latter, and adding them to the former, we should have *as below 16 years*, 63,480, or 30 per cent. of the whole quantity. Of 7,614 examined by Dr. James Mitchell, for the factory commissioners, there were below 16,

1,415 males,  
1,278 females,

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2,693

\* The number of persons employed in the cotton manufacture of England, *exclusive of hand-loom weavers, printers, bleachers, dyers, cotton thread-lace makers, &c.*, and including only those who earn a subsistence in factories *moved by power*, is thus stated:—

“Weavers,	75,055	
Engineers,	4,700	
Spinners,	133,045	
	<hr/>	212,800
Of these, there are male adults,	60,393	
female “	65,774	
	<hr/>	126,167
under 14, males,	24,665	
“ females,	19,038	
	<hr/>	43,703
between 14 and 18, males,	18,080	
“ females,	21,474	
	<hr/>	39,554
unknown,	3,376	
	<hr/>	212,800

Total males, 103,138. Total females, 106,286.

“The aggregate amount of monthly net earnings of these 212,800 persons, is stated at £ 444,481 per month, of four weeks, or £ 5,777,434, per annum; giving an average of 41s. 9d. per month, or 10s. 5d. per week, for each person.”—*Report of Factory Commissioners*, p. 138.

“The number of persons employed in the cotton manufacture, in Massachusetts, in every department, and including bleachers, dyers, &c., is 19,754, of whom

4,997 are males, and  
14,757 females,

being in the proportion of one of the former to three of the latter.”—*Statistics of the Manufactures of Massachusetts*, p. 169. The proportion of females to males, throughout the United States, as given by the New York Convention, (*ante*, p. 148,) was only two to one.



being about 35 per cent.\* The average wages of persons above 16 in those factories, is estimated by Dr. Mitchell as follows:—

2,355 males, 16s. 3d.

2,566 females, 8s.

4,921, general average 12s.,† or within 6d. as much as that furnished by the New York Convention.

Since the preparation of the report to the New York Convention, in 1832, there have been, however, various improvements in cotton machinery, tending to render labour more productive, to diminish the quantity of male labour required, and to increase the rate of wages. At Lowell, of 5,600 persons employed in the cotton mills, (exclusive of the printing establishments,) only 800 were males, being but one seventh of the whole; whereas, in England, nearly one half are males.

At that place, *none are employed below 12 years*. Of the females in the Lawrence factory, at that place, out of 1,000, only 127 were below 17; and of the males, only 28 below that age. Deducting those between 16 and 17, the whole number below 16 cannot exceed 8 per cent., which corresponds nearly with the New York report, which gives 7 per cent.

\* The following statement in relation to various manufactures of England, shows that such is the usual proportion.

Employed in cotton, wool, silk, and flax factories:†

	Males.	Females.	
From 8 to 12 years,	9,292	9,536	18,828
12 and 13 "	15,118	14,547	29,665
13 to 18 "	37,996	50,671	88,667
Above 18 "	75,848	80,685	156,533
	<hr/>	<hr/>	<hr/>
	138,254	155,439	293,693
	<hr/>	<hr/>	<hr/>

Sexes—males, 53 per cent.

" females, 47 "

Ages—below 12, 6½ per cent.

" 12 and 13, 10

" 13 to 18, 30

" above 18, 53½

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100

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† Baines, p. 437.

† Porter's Tables, Part IV. p. 381.

An analysis of the above statements, gives the following proportions:—

	Lowell.	England.
Female adults,	80	34
“ children,	6*	17
Male adults,	13	30
“ children,	1	19
	<hr/> 100	<hr/> 100

Here we find that 36 per cent. of the labour of England is performed by children, and 30 by male adults; whereas only 13 per cent. is performed in the United States by the latter, and but 7 by the former. The labour of men is so much more valuable, that none are employed except as superintendents, mechanics, &c., and thus nearly the whole of factory employment is left for females. The consequence of adult labour being so employed is, that parents are not compelled to depend upon the earnings of children, as is so much the case in England.\* Although 86 per cent. are females, the average earnings exceed those given by Dr. Mitchell as the wages of male and female adults, when nearly one half were males. Female labour is, therefore, nearly as productive in the United States as male labour in England, showing that a large portion of the power of the male operatives is, in the latter, unproductively applied.

It thus appears, that in every department of the cotton manufacture, there is an economy of labour greatly exceeding that of England, and that although apparently rather more expensive, it is really less so.† The effect of these improvements on the price of female labour is most remarkable and most gratifying. By substituting it for that of males to the greatest possible extent, it has been rendered so productive, that the wages received

\* The necessity for the passage of “Factory Bills,” does not exist in the United States. In England, by interferences of all kinds, the parents are reduced to the necessity of sending their children to work at the earliest possible age, and then it becomes necessary to interfere anew, to prevent the children from bearing too much of the burthen. In the United States, on the contrary, it is so desirable to have efficient hands, that the owners are not disposed to employ children at too young an age, and thus, while the excellent situation of the labourer renders it unnecessary, the interest of the employer would tend to prevent it, should idleness or dissipation lead the parent to desire it.

† Mr. Finlayson stated to a Committee of the House of Commons, that wages in the cotton manufacture were higher in England than in the United States; i. e. that the price paid for any given quantity of work done, was greater.

by females are greater than the average wages paid to men, women, and children, in the cotton mills of England.

The average wages at Lowell, of females, were \$ 3 15, or 13s. 1d. per week, and of males, \$ 6 75, or 28s. 1d.—average of the whole, \$ 3 67, or 15s. 4d. sterling, being considerably more than the average of the English cotton mills, as given above.\*

It will be obvious to the reader that the cotton manufacturer in the United States could not pay more wages than his brother manufacturer in England, unless he obtained more cloth in exchange for it; *i. e.* unless the persons he employed could produce more, which they could not do unless aided by better machinery. That such is the case, we now propose to show. The cloth made at Lowell is chiefly of No. 14 yarn. In England, 35 yards per loom, per day, would be deemed a good average product.† The produce at Lowell varied, in 1835, from 38 to 49 yards, but we have now before us a statement of the produce of two mills, for the last six months of 1836, as follows :

No. 1—5504 spindles,  
240 looms.

No. 14 yarn, 28 inches.

\* The factories at that place are, however, on the best footing, and it would not be just to compare the wages there paid with those of the ordinary mills of England. We shall, therefore, take some of those selected by Mr. Baines, and enable the reader to make a comparison between the wages there paid, and those of Lowell.

"Fine cotton spinners, in the employ of Mr. T. Houldsworth, Manchester, received, in 1833, from 54s. to 65s. per week, out of which they paid their piecers 21s. to 22s. 6d., leaving them from 33s. to 42s. per week.—*Report of Commons Committee, quoted by Baines, p. 443.* There are 111 spinners at present employed in the mill; their average net earnings 33s. 6d. per week.—*Ibid.*

"In the card room, males receive from 15s. to 30s. per week. Females receive from 8s. 6d. to 12s. Mechanics' wages, blacksmiths, turners, filers, or machine makers, and fitters up, are now from 27s. to 31s. per week.—*Ibid. p. 444.* Spinners in the employ of Mr. Thomas Ashton, of Hyde, earned, in 1832, from 20s. to 35s. Dressers received 30s. 6d. Weavers, all of whom are employed in attending the power-loom, and are for the most part young girls, average 12s."—*Ibid. p. 445.* Deducting the young persons, who receive inferior wages, and who would not be employed in the United States, there can be little doubt the average of wages paid by Mr. Ashton, is nearly as high as that of Lowell.

"The net wages of a cotton spinner have been rarely under 30s. a week, the year round.—*Ure, Philosophy of Manufactures, p. 280.* Mr. George Royle stated on oath, before the Factory Commissioners, that the whole of his spinners, whose average weekly wages were 53s. 5d., turned out for higher wages.—*Ure, p. 283.* The average of wages of all persons, *young and old*, at the mills of Messrs. Lees, in Gorton, is 12s. per week."—*Ure, p. 307.*

† Factory Question, by R. H. Greg, p. 147.

Produce of 6 months, or 150 days' work, 1,984,120 yards  
= 55 yards per loom, per day.

No. 2—5632 spindles,  
170 looms,

—  
No. 14 yarn, 38 inches.

Produce of 6 months, or 150 days' work, 1,418,014 yards = 55 yards per loom, per day, being fifty per cent. more than what, in England, is deemed a fair average product. At Lowell, it is not usual for a female to attend more than two looms, but in other places, they attend four looms, and frequently make \$5 as their weekly wages.\*

The following comparison is furnished by Mr. Greg's pamphlet,† taken from the Manchester Guardian, showing a similar result in regard to spinning. "In the Lowell Mills, they turn off  $2\frac{1}{2}$  pounds of No. 14 twist, or 35 hanks, weekly. Allowing for the longer time they work, we are left behind, on a comparison, by about  $2\frac{1}{2}$  hanks per spindle weekly, and in actual quantity by about 20 per cent."

Such results can only be obtained by superior machinery. The people of the United States are indebted to England for the spinning jenny, the power loom, and other improvements, but others of great importance have been made by themselves, and for some time past the change has been more rapid than in England.‡ That such is the case cannot be surprising, when we see that of the male labourers of the country none are compelled to devote themselves to labour so degrading as that of the hand-loom in England. Every man knows that there is a demand for his labour, and that he is capable of earning wages that will enable him to live well, and therefore feels the strongest inducement to exertion. He endeavours to improve his own mode of operation, and is ready to adopt any suggestion coming from any quarter, at home or abroad, the consequence of which is, that machinery is rapidly improved, the labour of females is substituted for that of males, and the latter are required only in those higher employments,

\* "In this country the girls tend two power looms. \* \* In America, our girls tended generally four power looms, some for years tended five power looms, and some tended six power looms for sometime, and each of those power looms turned off more cloth than I have found any power looms turn off in this country."—*Evidence of Mr. Kempton, before the Committee of Manufactures of House of Commons.*

† Factory Question, p. 147.

‡ "Of all the improvements that have been made for the last two years, the invention has been in America."—*Evidence of Mr. Kirkman Finlay, before the Committee on Manufactures of British Parliament.*

where every thing tends to induce habits of reflection, and to produce that desire of improving his condition which most stimulates the inventive faculties of the labourer.\*

The cotton manufacture, which scarcely existed a few years since, has extended so rapidly, that the consumption of 1835, was one hundred millions of pounds. Not only is the home demand for coarse cloth supplied, but large quantities are now shipped to foreign countries, and the export tends to increase rapidly.†

The following statement shows the growth of the consumption of cotton in France, England, and the United States.‡

	<i>France.</i>	<i>England.</i>	<i>United States.</i>
	Millions of pounds.	Millions of pounds.	Millions of pounds.
1811,	- 23	90	17
1821,	- 47	{ average of 1818 to 1821, }	50
1828,	- 61		60
1831,	- 65	257	77½
1834,	- 80	297	
1835,	-	320	100

#### *Woollen Manufacture.*

In 1315 manufactories in England, there were employed 31,360 male and 22,526 female operatives.§ At the Middlesex

\* "The Americans possess a quicker mechanical genius than even ourselves—as witness their patents and the improvements for which we are indebted to individuals of that country in mechanics, such as spinning, engraving, &c. We gave additional speed to our ships, by improving upon the naval architecture of the Dutch; and the similitude again applies to the superiority which, in comparison with British models, the Americans have, for all the purposes of activity and economy, imparted to their vessels."—*England, Ireland, and America, by a Manchester Manufacturer, p. 120.*

† "It appears from the Chinese Commercial Guide, by John Morrison, published at Canton, on a comparison of the British and American trades with Canton, that during the year 1834 there were imported, by American vessels, of cotton long cloths 134,000, and of domestics 32,743, whilst the whole cotton piece goods imported by British vessels, consisted only of 75,922 pieces."—*Pamphlet of A. Graham, quoted by Greg, Factory Question, p. 106.*

Large quantities are shipped to Mexico and South America. The export of manufactures of cotton, in 1836, was \$2,250,000, constituting more than one third of the whole amount of manufactured commodities exported. All branches of manufactures, however, labour under the disadvantage of a high price of machinery, in consequence of a high duty on imported iron.

‡ Report of the Secretary of the Treasury, February 29, 1836.

§ London Athenæum, July 4, 1835.

Woollen Factory in Lowell, the number of females is 240, and of males 145, whereas in England the number of the latter would be 336. In the one case, the males exceed the females by 40 per cent., while in the other females exceed the males 40 per cent. In the woollen manufacture of Massachusetts, generally, there are employed 7,097 persons, of whom 3612 are males, and 3,485 females.\* The difference here between the two countries is much less than in the cotton manufacture. In England, the males constitute fifty-eight per cent. of the whole, in the United States they are less than fifty-one.

Wages in Yorkshire are as follows, viz. weavers, earning 14s.—spinners and slubbers, 21s., and dressers the same—women gain about 6s.—children, from eight to twelve years, 3s. to 5s.; from twelve to sixteen years, 6s. to 8s. Forty years since, the average wages of men, women, and children, in the woollen manufacture, were from 5s. to 6s. each per week; they are now from 9s. to 10s. per week.†

The difference in the rate of wages paid in the woollen manufacture is remarkable. At Leeds, according to a table furnished by Dr. Ure,‡ men between the ages of 26 and 51, average from 22s. to 22s. 6d. In Gloucester, men of the same age average from 13s. to 15s. 3d.—in Somerset, 16s. 3d. to 19s. 9d.—in Wiltshire, 13s. 7d. to 15s. 5d.

In the worsted manufacture, at Bradford, Yorkshire, there are employed,

693 men, average wages	18s. 2d.
65 boys, “ “	7 2
160 young women, “	8 0
520 children, “	4 7½

Here the proportion of males is very great. Rejecting the boys and children, the average wages of men and young women would be 14s. per week.

We have shown|| the great extent of the sheep flocks of the United States. The wool produced is estimated at 42 millions of pounds, averaging 50 cents per pound. The whole is manufactured into cloth, and in addition there were imported nearly 13

\* Statistics of the Manufactures of Massachusetts, p. 170.

† History of Middle and Working Classes, p. 572.

‡ Philosophy of Manufactures, p. 476.

§ Porter's Tables, Vol. III. p. 419.

|| Ante, page 140.

millions of pounds. Wages in the woollen manufacture do not materially differ from those we have given for cotton.\*

The machinery for the production of iron in the United States has, thus far, been of very inferior quality, and wages, estimated in that commodity, would be very low, if compared with those of England. Both iron and coal exist in unlimited quantities, but they are not found in connexion with each other at any place near the sea-board, and thus far all the iron of the United States has been smelted with charcoal. The extension of rail roads and canals has facilitated the production of coal and brought it into extensive use as fuel, the quantity brought to the sea-board having risen from 365 tons, in 1820, to nearly a million of tons, in 1837. The effect of the further extension of those roads and canals to the region of coal and iron is now exhibiting itself in the erection of furnaces for the smelting of iron with coke and coal, and there is no reason to doubt that it will speedily be produced at as small cost as in any part of the world.

In the manufacture of some of the commodities of iron, great improvements have been made, in the United States, and particularly in that of nails. One machine, attended by a single man, will make from 300 pounds to 1½ tons, per day, according to the sizes.

In every department of production, there is, in the United States, a strong tendency to the substitution of machinery for manual labour, whenever it is possible. In every direction throughout the country, are to be found saw mills preparing lumber for market. At some of these it is converted directly into laths, blinds, or window-sashes, of which immense quantities are sold in the cities at less than would there be the mere cost of workmanship. The lumber is planed and grooved by machinery, which almost altogether supersedes manual labour. The substitution of the cut nail for the wrought nail, relieves the carpenter from the necessity of using his gimlet, by which a vast saving of labour is obtained. The effect of all these substitutions is to diminish greatly the cost of producing buildings of every description.†

\* A young woman of Eastford, Conn., earned at a power-loom, in a woollen manufactory, in twenty-six days, \$ 32 67, including board, which was \$ 1 34 per week, leaving a balance of \$ 27. She wove plaid cassimere, and was obliged to stop her loom and shift her shuttles over eighteen hundred times each day.

† The average of the wages of carpenters, bricklayers, masons, and plasterers, as given in the contract prices of Greenwich Hospital, by Mr. McCulloch, has been, for many years, 5s. 6d. per day, equal to \$ 1 32. The wages of similar persons in Philadelphia and New York, are somewhat, but not materially higher.

The tendency to improvement is great both in England and the United States, but more rapid in the latter than in the former, because of the necessity of the case. The high rate of wages constantly stimulates the employer to the adoption of machinery, by which he may diminish the quantity of manual labour; and he is not compelled to refrain therefrom by any apprehension of injury to his machines, or of depriving his hands of the means of subsistence. The workman, constantly animated by the hope of becoming an employer, desires to find improved methods of production. While all the improvements of Europe are adopted as soon as known, the inventive faculties of the people are constantly tasked to make improvements for themselves, and thus many of the most important of the recent improvements in the manufacture of cottons and woollens, hats, glass, wood screws, &c., are of American invention.\*

The world is largely indebted to France for many important *discoveries* in science, the *application* of which took place in England. Had the attention of the people of France been less given to war, and more to those pursuits which tend to enable man to improve his condition, it would not have been left for England to bring those discoveries into useful application. The difference in the facility with which improvements are adopted in the United States and England is somewhat similar to that which exists between England and France. *Wherever the quality of labour is high, its reward or wages will be so. Where wages are high, there will exist a strong inducement to adopt improvements, and the employer will not be deterred by the fear of throwing people out of employment. The higher, therefore, the quality of labour, the greater will be the tendency to improvement.*

That tendency is now greater in France than in India, in England than in France, and highest in the United States.

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\* "The inhabitants of the United States are never fettered by the axioms of their professions; they escape from all the prejudices of their present station; they are not more attached to one line of operation than to another; they are not more prone to employ an old method than a new one; they have no rooted habits, and they easily shake off the influence which the habits of other nations might exercise upon their minds, from a conviction that their country is unlike any other, and that its situation is without a precedent in the world. America is a land of wonders, in which every thing is in constant motion, and every movement seems an improvement. The idea of novelty is there indissolubly connected with the idea of amelioration. No natural boundary seems to be set to the efforts of man, and what is not yet done, is only what he has not yet attempted to do."—*De Tocqueville, Vol. II. p. 441.*



*Navigation.*

The tonnage of vessels <i>cleared</i> from the ports of FRANCE,					
in 1787, was	-	-	-	-	2,007,661
The average amount, from 1820 to 1833, was	-	-	-	-	2,296,256
Increase,					288,595

The increase in the machinery of trade is one seventh, while the population has increased more than 25 per cent.

In 1826, the tonnage of France was	-	-	694,170
In 1833, it was	-	-	647,107
Showing a decrease of			47,063

The population having been, in 1833, about 33 millions, it follows that there were  $\frac{1}{100}$  tons per head.

In 1800, the tonnage of ENGLAND and WALES was	1,446,632*
In 1832, it was	1,807,487†

In that time the increase in population was nearly 60 per cent., while the increase of shipping was less than 25 per cent. In 1832, it amounted to  $\frac{1}{100}$  tons per head.

In 1789, the total tonnage of the UNITED STATES was	201,562
In 1836, it was	1,892,102†

In the latter period, population was nearly four times greater than in the first, but the tonnage was nine times greater, and equal to  $\frac{1}{100}$  tons per head.

\* McCulloch's Statistics, Vol. II. p. 194.

† Ibid. p. 195.

† The rapidity with which the internal trade increases, may be judged by the following facts:

"In 1831, there were only 69 American vessels (of which 10 were steamboats,) and 17 British vessels on lake Erie; total 86, with an aggregate tonnage of 5000 tons. Of the present shipping navigating that lake, the Erie, (Pa.) Observer says: 'There are now over 40 American steamboats, with an average tonnage of probably 300 each, making in all over 12,000 tons. The other shipping we are less able to estimate, though there is no doubt it will exceed 300 vessels, with an average tonnage of at least 65 tons each, thus making an aggregate of over 30,000; and showing an increase, in six years, of 500 per cent. in the number of vessels, and 600 in the tonnage. And yet all these vessels, notwithstanding the peculiar state of the times, are doing more than they did in 1831.'"

The mode of measuring tonnage in France is different from that pursued in Great Britain and the United States, and gives a much larger result, the difference being about 25 per cent.\*

By adopting the French system in relation to all, we should obtain the following results :

France,	$\frac{2}{100}$	per head,
England,	$\frac{16}{100}$	"
United States,	$\frac{15}{100}$	"

Although the ratio of tonnage to population is rather greater in England than in the United States, we think it may safely be affirmed that labour is more aided by it in the latter than in the former. Evidence of this is to be found in the fact, that the capital employed pays a much higher rate of interest, while it leaves to the sailor a much higher rate of wages.

In the merchant service of the two countries, the difference in *money wages* is not very great, but there is a very considerable one in the allowance of provisions, as well as in the steadiness of employment. This is shown by the very material difference in the wages paid in the naval service of the two nations, the only case in which permanent employment can be given. Great Britain supplies her immense navy with ease, paying able seamen £1 14s. = \$8 16 per month, and landsmen 23s. = \$5 52 per month, while the United States find it difficult to obtain the number required, at \$12 for able and \$10 for ordinary seamen.† In the French marine, wages are from 23 to 30 francs. The average is 25.50 francs = \$4 75 per month.‡

The number of men required to man the vessels of the United States, is less, per ton, than is required for the ships of Great Britain, and still less than for those of France.§

\* Chevalier, t. I. p. 362.

† Mr. McCulloch (*Principles of Political Economy*, p. 367,) has fallen into a great error in regard to sailors' wages. He says, "While the wages of all sorts of labourers and artisans are uniformly higher in the United States than in England, those of sailors are, most commonly, *lower*." He attributes this to security from impressment. The fact, however, does not exist.

‡ Bowring's First Report, p. 70.

§ "The whole British shipping employed in the foreign trade, outwards, amounts to 2,180,042 tons, navigated by 122,103 seamen, which gives  $5\frac{1}{2}$  seamen for every 100 tons. Of the French shipping which entered France, in 1831, the tonnage employed in the trade with all foreign countries, amounted to 372,931 tons, navigated by 34,355 men, being a proportion of above nine men for every 100 tons. The navigation of the United States is carried on by a proportion of  $4\frac{1}{2}$  seamen per 100 tons."|| In the year ending September 30, 1836, the American vessels that entered

|| Ibid. p. 36.

The rate of insurance upon the vessels of the United States is less than upon those of England, while the latter are insured at a lower rate than those of France. The more perfect the machine, the smaller is the *proportion* of the commodities that is taken to defray the expense of transportation, or to provide against any risk that may be incurred. The actual premium on an American vessel *to Canton and back*, is  $2\frac{1}{2}$  to  $3\frac{1}{2}$  per cent.\* On English vessels, the charge is from 4 to 5 per cent. On French vessels, it is, *for the single voyage*, 3 to  $3\frac{1}{2}$  per cent.,† being as much as is paid *for the voyage out and home*, on American ships.‡

the ports of the United States, from foreign countries, amounted to 1,255,381 tons, navigated by 61,280 men, and 2,609 boys, being about 5 for every hundred tons.

Men.

Coasting Trade of France,	1,608,896	209,831 = 13 per 100 tons.
Great Britain and Ireland,	8,777,921	513,109 = $5\frac{7}{8}$ " 100 tons.§

The inequality here shown, would be still greater were allowance made for the mode of measurement.

\* "The American ships frequenting the ports of England, are stated by several witnesses to be superior to those of a similar class amongst the ships of Great Britain, the commanders and officers being generally considered to be more competent as seamen and navigators, and more uniformly persons of education than the commanders and officers of British ships of a similar size and class, trading from England to America; while the seamen of the United States are considered to be more carefully selected, and to be more efficient. American ships sailing from Liverpool to New York, have a preference over English vessels sailing to the same port, both as to freight and the rate of insurance; and the wages being higher, their whole equipment is maintained in a higher state of perfection, so that fewer losses occur; and as the proportion of 19½ per cent. per annum, while the British shipping have increased within the same period only 1½ per cent. per annum, the constantly increasing demand for seamen, by the increasing maritime commerce of the whole world, the numbers cut off by shipwreck, and the temptations offered by the superior wages of American vessels, cause a large number of British seamen every year to leave the service of their own country, and to embark in that of the United States, and these comprising chiefly the most skilful and competent of our mariners, produce the double effect of improving the efficiency of American crews, and in the same ratio diminishing the efficiency of the British merchant service."—*Report of Parliamentary Committee*.

† Prix Courant du Havre, 5 Mars, 1836.

‡ M. de Tocqueville, (Vol. II. p. 439,) says, "The Americans are often shipwrecked, but no trader crosses the seas so rapidly." The rate of insurance is the measure of the risk of shipwreck, and the low rate of premium on American vessels, proves that if they cross the seas *rapidly*, they do it also *safely*. The following remarks from an English journal, have reference to both of those qualities.

"The greater part of our merchant vessels are the most unsightly in Europe; and what is of far more consequence, sail badly, and are exceedingly unmanageable in bad weather, and on a lee-shore; as to the first of these qualities, that of sailing, it is notorious, that while an American vessel is to be found in port, not one of our merchants or manufacturers will ship a bale of goods in any ship of English build, it being, of course, a great object that consignments should reach their place of destination with all possible expedition."—*Companion to Newspaper*, Vol. II. p. 199.

§ Bowring's First Report, p. 36.

The number of steam vessels belonging to France, in 1834, was 82, of 15,000 tons.\* Those of England were 480 in number,† but we have no means of ascertaining their tonnage. Those of the United States were, in 1834, 386 in number, and their tonnage 95,648. In 1836, they had increased to 145,000 tons.‡

The cod fishery of FRANCE is maintained at an expense of above three millions of francs, annually paid in bounties. The inefficiency of the labour employed is strikingly shown by the following statement. In 1824, 1825, and 1826, the average number of vessels employed was

		Tonnage.	Men.	Fish.
French,	302,	37,936,	6,690	464,671 cwt.
British,	306,	40,220,	2,539	966,294

The British tonnage was greater by six per cent.; the number of men was less by  $62\frac{1}{2}$  per cent., and the quantity of fish taken was double. Each man in the French vessels took on an average 68 cwts., while each British seaman took 376 cwts.§

The shipping employed in the French cod fishery, from 1826 to 1830, averaged 45,000 tons, and the average produce of the fisheries for those years was 244,601 quintals.|| The total value was £978,405, and the amount of bounties paid was £606,358, being nearly two thirds of the amount produced.¶

The amount of shipping belonging to the UNITED STATES, employed in the cod fishery was, in 1834, 58,705 tons. Independently of supplying the home demand, the export, in 1833, was 249,689 quintals, being more than the whole product of the fisheries of France. In quality, the superiority appears to be as great as in quantity. In a report upon the fisheries of France, it is stated that, "on an average of five years, from 1826 to 1830, American cod fish produced, in the colonial markets, francs 47.35 per cwt. French fishery of cod fish, francs 26.95."\*\*\*

In the mackerel fishery the United States employed, in 1834,

\* Chevalier, t. II. p. 422.

† Ibid.

‡ Nothing marks more clearly the difference of security that is obtained as population becomes more dense, than the risk of travelling upon the eastern and western waters of the United States. Accidents upon the Chesapeake, the Delaware, or upon any of the waters east and north of them are almost unheard of, while they are of constant occurrence at the west and southwest. When the population of the western States shall have become as dense as that of New York and Massachusetts, travelling will become equally safe.

§ Bowring's First Report, p. 69.

|| Ibid. p. 68.

¶ Encyclopædia Britannica, Vol. X. p. 196.

\*\*\* Bowring's First Report, p. 68.

above 48,000 tons of shipping. The average quantity taken, from 1831 to 1835, was 274,000 barrels. In the five years, from 1804 to 1809, it was only 9,000 barrels.\*

The whaling trade of FRANCE employs 16 vessels, with crews of 551 men, who cost the government and people nearly 30 dollars, each, per month, being six times as much as the wages allowed to the seamen in their navy. This trade has been fostered by bounties, but it has made no progress.

The progress of the whaling trade of GREAT BRITAIN has been as follows :

<i>Greenland and Davis's Straits.</i>			<i>Southern Whale Fishery.</i>	
	<i>Ships.</i>	<i>Tons.</i>	<i>Ships.</i>	<i>Tons.</i>
1820,	159,	50,546,	194,	62,750,
1825,	110,	34,751,	138,	42,736,
1836,	91,	29,396,	97,	31,897,
1834,	76,	24,955,†	107,	34,161,‡

by which we see that it is in a course of constant reduction.

In 1817, the quantity of spermaceti oil taken by the vessels of the UNITED STATES, amounted to 32,650 barrels,§ and that of whale oil was nearly the same, making together about 65,000 barrels. In 1835, it had risen to 300,000 barrels. In the year ending September 30, 1836, the shipping employed in the trade amounted to 144,680 tons. In 1837, there arrived 240 ships, with 182,569 barrels of spermaceti, and 215,200 barrels of whale oil, total 397,769 barrels.

The rates of insurance upon the whaling ships of the several nations, are as follows :

Upon French ships, 9 per cent. for 18 months, or 11 per cent. for the voyage.||

Upon British ships to Davis's Straits, 10 per cent.¶

Upon British ships to Southern fishery, 12 guineas per cent., (or more than 12½ per cent.)\* for the voyage.

Upon American ships, from 6 to 7 per cent. for the voyage.

#### COMMERCE.

The product of this navigation is to be found in the exchanges

\* Statement of Mr. Cushing to the House of Representatives.

† Porter's Tables, Part IV. p. 77.

‡ Ibid. p. 369.

§ Pitkin's Statistics, p. 44.

|| Havre Prices Current, March 5, 1836.

¶ Porter's Tables, Part IV. p. 77.

\*\* London Trade List, December, 1837.

with foreign nations, or with distant colonies. We shall therefore compare the imports and exports, and show at the same time what increase has taken place.

INDIA possesses little shipping. Her trade is chiefly carried on by vessels owned elsewhere, but we give the amount of foreign trade, that the operations of that great empire may be compared with those of other nations.

The imports of Bengal, Madras, and Bombay, from Great Britain, and Europe, and North and South America, were,

	1811-12	18,981,207	rupees.
	1831-2	31,334,014	"
Exports,	1811-12	28,698,423	"
	1831-2	50,765,447*	"

The imports, for the supply of 150 millions of people with the commodities of Europe and America, thus amounted, in 1831-2, to less than 16 millions of dollars, and the exports to 25 millions, the former being at the rate of  $10\frac{2}{3}$  cents, and the latter of 16 cents per head of the population.

Total imports from all parts of

the world, (1833,) - £ 10,378,718, or 50 millions of dollars.

Total exports to all parts of the

world, - - 11,196,113,† 53 " "

In 1787, the imports into FRANCE, were, francs 631,790,700

In 1834, " by sea and land, were 729,104,336‡

Showing an increase of 15 per cent., while the population has increased more than 25 per cent.

From 1820 to 1829, both inclusive, the average was 670,000,000, being but about 6 per cent. more than in 1787.

In 1787, the exports were - - - 445,301,300,  
of which 379 millions were of French produce.

In 1834, the exports, by sea and land were 714,705,038,  
of which 509,270,533, were of domestic production.§

The *exports* of foreign products, in 1834, amounted to 205 millions, which, deducted from 729 millions of *imports*, leave 524 millions, to be either consumed, or *used in the manufacture of commodities for the export trade*. In the latter division may be

\* Porter's Tables, Part III. p. 325.

† Encyclopædia Britannica, Vol. XI. p. 391.

‡ Report of the Director of Customs. Of these imports, only 30 per cent. were in French vessels.

§ The average exportation of wines, from 1787 to 1789, was 1,333,000 hectolitres. From 1816 to 1826, it was only 1,066,000 hectolitres.

*Bowring's Second Report, p. 102.*

included the whole amount of foreign raw silk imported, the average of which, in the years from 1826 to 1830, exceeded 38 millions,\* and was probably, in 1834, above 40 millions; as also cotton and various other raw materials. The total value of such raw materials cannot be less than 70 millions, which would leave the *consumption* of foreign merchandise at 454 millions of francs, equal to 90 millions of dollars, or 18 millions of pounds sterling.†

\* Bowring's Second Report, p. 15.

† We think there can be no question of the propriety of thus striking off from the amount of consumption, the raw materials imported to be re-exported in a different form. The product of the shoemaker consists, not in the value of the leather, but in the work that he has bestowed upon it, to fit it for consumption. In like manner the products of France consist in the labour bestowed upon the cotton and silk, and not in the value of raw material imported for the purpose of being re-exported.

We have deducted the whole amount of raw silk imported, and offer the following statement, to prove the correctness of so doing, and with a view to contrast the powers of consumption of the people of the United States, who do not produce silk, with those of France, who do produce it.

Dr. Bowring, in his Second Report, says, "It is generally estimated that the present value of the silk manufacture of France is one hundred and forty millions of francs," (*page 3*.) and that "four fifths of the silk manufacture are exported." (*page 19*.) Accordingly, the official statement of the exports of silk goods, furnished to him by the French government, gives the exports to all the world, at 112,580,695 francs.—*page 54*.

	<i>Francs.</i>
This leaves, for the consumption of France, - - -	28,000,000
The imports of 1830, were, ( <i>page 65</i> ), - - -	1,138,940
	<hr/> 29,138,940

Making the total consumption of France \$5,463,450, or about eleven hundred thousand pounds sterling. Taking the population at thirty-two millions, the amount per head would be seventeen cents.

The average amount of silks imported into the United States, in the years from 1829 to 1832, both inclusive, after deducting those which were re-exported, was - - -

\$7,175,189

At that time the duty on importation was twenty per cent. To this must be added the various charges attendant upon importation, making in the whole thirty-three and a third per cent, -

2,391,729

Total average expenditure for silks, - - -

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\$9,566,918

During this period, the population of the United States averaged thirteen millions, which would give for each individual a consumption of seventy-four cents. Subsequently to this period, the amount was greatly increased, but we have preferred to confine ourselves to years in which there was no symptom of overtrading.

Paris is the resort of strangers from all quarters of the world, and a very important portion of the home consumption must be attributed to them, constituting a deduction from that of the people of France. It would not be unreasonable to suppose that one million of dollars, above estimated for home consumption, is thus disposed of to foreigners. If so, that of the French people would be reduced to fourteen cents per head, or less than one fifth of that of the United States.

The population being 33 millions, the consumption, per head, would be \$ 2 70, or about 11s. sterling.

The average of the real or declared value of the domestic exports of GREAT BRITAIN and IRELAND was,

From 1801 to 1804,	£ 38,718,706,	\$ 186,329,784,
“ 1805 to 1809,	37,367,510,	179,384,048,
“ 1815 to 1819,	43,791,788,	210,200,568,
“ 1820 to 1824,	35,966,152,	169,154,320,
“ 1825 to 1829,	35,336,015,	171,907,272,
“ 1815 to 1829,	38,295,985,	183,820,728,
1830, amount.	38,271,597,	183,703,664,
1831, “	37,163,647,	178,385,504,
1832, “	36,444,524,	174,933,722,
1833, “	39,667,347,*	190,403,264,
1834, “	41,649,191,	199,916,116,

The exports for the year 1834 were, therefore, less, by above two millions of pounds sterling, than the average of the years from 1815 to 1819.

In the above is, however, included the amount of raw materials manufactured for re-exportation, and which constitute no part of the production of Great Britain. In the year 1833, the export of cotton was above 200 millions of pounds, and averaging it at 7*d.* per pound, the value was not less than £ 6,000,000 The foreign wool exported amounted to not less than 2,000,000 Silk and other raw materials, say only 2,000,000

£ 10,000,000

Deducting this sum, the export of domestic products would amount to 29 millions of pounds, or 140 millions of dollars, and the population being about 25 millions, the amount, per head, would be about 23s. 2*d.* = \$ 5 56.

As the *real value* of imports into Great Britain and Ireland is not given, it is impossible to tell what has been the change in the *amount* of trade. The *official values*, which are an index to the *quantity* of merchandise imported, give the following amounts, after deducting the foreign goods re-exported.

1825 to 1829, average,	£ 33,215,207,	\$ 159,432,992,
1830, amount,	37,694,804,	180,935,056,
1831, “	38,968,818,	187,050,316,
1832, “	33,541,872,†	161,000,984,
1833, “	36,118,790,	173,370,320,
1834, “	37,800,775,‡	181,443,721,

\* Porter's Tables, Part IV. p. 11. † Ibid. Part III. p. 92. ‡ Ibid. Part IV. p. 11.



The average of the last three years is nearly 36 millions, but we must deduct the amount of raw materials exported, say 10 millions, leaving 26 millions of pounds, or 125 millions of dollars, for consumption, which, divided among 25 millions, would give 20s. 8d. = \$ 4 96, per head.

The value of the domestic exports of the UNITED STATES was as follows:\*

From 1801 to 1804, average \$ 39,039,159.

The ensuing ten years embraced years of embargo, non-intercourse, and other interruptions of trade, and as no inference could be drawn from them, they are omitted.

From 1815 to 1819, average,	\$ 60,780,214,
“ 1820 to 1824, “	48,606,903,
“ 1825 to 1829, “	57,058,401,
“ 1815 to 1829, “	55,481,839,
1830, amount,	59,462,029,
1831, “	62,279,057,
1832, “	63,137,479,
1833, “	70,317,698,
1834, “	81,034,162,
1835, “	98,531,026,

Thus, for a series of years, there is a regular increase, and the amount of domestic exports of 1835 is 142 per cent. greater than the average from 1801 to 1804, while that of Great Britain, in 1833, exceeds by only two per cent. the average of that period. The one increased fourteen millions of dollars, while the other increased nearly fifty-nine millions.

The population of Great Britain was, in

1801,	-	-	-	-	10,471,778
That of Ireland was estimated, in 1805, at	-	-	-	-	5,937,356
					<hr/> 16,409,134
Great Britain was, in 1831,	-	16,255,605			
Ireland, 1832,	-	7,839,514			
		<hr/>			24,095,119
					<hr/>
		Increase,			7,685,985

The exports of 16 millions and a half of people, *including foreign raw materials*, were 186 millions of dollars, or \$ 11 50,

\* The export from the United States of manufactured articles, is small, and the amount of foreign commodities re-exported in a manufactured state is too small to be deserving of consideration.

per head, while those of 25 millions are only 190 millions, or less than eight dollars per head.

The population of the United States, in 1800, was	5,319,762
“ “ “ 1830,	12,788,742

The *domestic* exports of the first period were at the rate of \$7 53 per head of the population of 1800, while those of 1833, 1834, and 1835, are at \$6 50 per head of that of 1830. The prices of the produce of both the United States and Great Britain were high in the first period, (flour averaged \$8 per barrel,) because of the deficient production consequent upon the war that then existed, and therefore the export, per head, is *apparently* greater in the first period than in the last. Had no such disturbing cause existed, there would have been a steady increase in the ratio of exports to population, but more rapid in the United States than in Great Britain because of the more rapid improvement in the quality of labour.

The export of the products of the United States is therefore almost as great, per head, as that of Great Britain and Ireland, even when that of foreign raw materials is included; but when that is excluded, it is much greater, being \$6 50 per head in the one case, and \$5 56 in the other.

During the same period the amount of foreign merchandise *consumed* in the United States was as follows:

1825 to 1829, average,	\$ 60,922,817
1830, amount	56,539,441
1831, “	83,157,398
1832, “	76,989,791
1833, “	89,295,576
1834, “	103,218,521
1835, “	130,606,155

No deduction is to be made from this amount, as no portion of these commodities, worthy of notice, is exported in the form of manufactures. The average of the three last years above included, is nearly 108 millions of dollars, being above \$8 to each person of the population of 1830, and about \$7 50 for that of 1834, which exceeded 14 millions.

The consumption of foreign commodities by the people of France is about \$2 70, per head; that of Great Britain and Ireland \$4 96, (official value,) and that of the United States \$7 50.\*

\* The exports of Great Britain are more in amount than the consumption of foreign commodities, while those of the United States are less so. From the former

It does not appear that any material alteration has taken place in the *real value* of foreign merchandise consumed in Great Britain from 1825 to 1833. The quantity of raw materials imported for the purpose of re-export in a manufactured form, has greatly increased in that time, and constitutes a large portion of the apparent increase of commodities retained for home consumption. During the eleven years, from 1825 to 1835, the consumption of the United States has more than doubled, showing an increase much more rapid than that of population. In 1835, it exceeded, by five millions of dollars that of Great Britain and Ireland, with little more than half their number of inhabitants. The United States had then nearly fifteen millions, while Great Britain and Ireland had not much less than twenty-six millions.

The consumption of foreign merchandise in the United States, in 1835, was almost nine dollars per head, while that of Great Britain and Ireland, in 1833, was short of five dollars. A part of this excess was the result of over-trading; but if we go back to 1831, in which the consumption was very low, we still obtain nearly \$ 6 50 per head.\*

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there is a large emigration and *export* of capital, while *into* the latter there is a constant *import* of it. The amount of capital wasted on the numerous colonies of the former also increases the *exports*, without augmenting the *imports*.

\* *With every improvement in the quality of labour there is a tendency to an increase in the quantity of commodities to be exchanged.* The small farmer who raises but little more food than is required for the consumption of his family has few exchanges to make with the neighbouring shopkeeper. His neighbour who cultivates double the quantity of land has probably four times as much to exchange, and another who has four or five times as much land has ten times as much grain to carry to market. The small manufacturer, working with inferior machinery, has a much smaller quantity for exchange than his neighbour who has a large factory devoted to the production of fine muslins. Applying this to nations, or parts of nations, we find that the people of Indiana have a smaller average surplus for exchange than those of Ohio or New York, and that those of Massachusetts perform a larger amount of exchanges, per head, than any others of the Union. The quality of the labour of France, England, and India, should be higher than that of the United States, and the amount of the exchanges to be performed should be greater; but such is not the case.

Although the law which we have submitted for the consideration of the reader is, as we believe, universally true, yet there are circumstances which tend to produce inequalities in the amount of exchanges, even where the quality of labour is the same, as we shall now explain. The small farmer who raises grain, *consumes* nearly the whole amount of his production, while his neighbour who raises hemp, tobacco, or cotton, *exchanges* nearly the whole quantity. The amount of the exchanges to be performed by both will increase with every improvement in the quality of labour, but no estimate can be formed of the *relative quality* of the labour of the two parties by the amount of those exchanges. The people of South Carolina perform a larger amount of exchanges than those of Pennsylvania, not because their labour is more productive, but because nearly the whole of their cotton requires to be exchanged, while a large portion of the corn of the latter is consumed by those

In nothing whatever is the superiority of a dense over a scattered population so great as in the facility with which ROADS are made and supported. It is obvious that where there are, on an average, 160 souls to a square mile, as in France, or 250, as in England, the annual contribution required from each is by no means as great as in Scotland, where there are only fifty; and that in Massachusetts, with 81, roads can be made and supported by a very light contribution, compared with that required in Arkansas, with only one to a square mile.

We have shown that as population becomes more dense, in consequence of the facility of obtaining the necessary supplies from the inferior soils, labour becomes daily more productive. The *proportion* required for the maintenance of roads is diminished, not only by the increase of population, but also by the increased ratio of production. A contribution of 10 per cent. from a population of 20 to a square mile, where wages were \$200 per annum, would give \$400; whereas, a contribution of 2½ per cent. where there were 80 to a square mile, and where wages were \$300, would give \$600. We have a right, therefore, to expect to

employed in its production. The chief product of New South Wales is wool, all of which must be exchanged before it can be consumed, and the natural consequence is that the colonists perform a larger amount of exchanges than if they produced wheat, which they could consume on the spot. In 1834, wheat was at 10s. (\$2 40,) per bushel, (*Martin's Colonial Library*, p. 187,) and could, of course, be imported with advantage. In the year ending January, 1834, the importations from British colonies and foreign States, were

Imports to the same,	-	-	-	-	-	-	-	-	£ 280,000
Exports to the same,	-	-	-	-	-	-	-	-	124,000

Leaving a balance of	-	-	-	-	-	-	-	-	£ 156,000
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to be paid by drafts on Great Britain, to which was exported the wool *which constituted the chief product of the colony*. The total export to Great Britain was £269,000, of which £156,000 must have been appropriated to the payment of those colonies or foreign States which furnished the necessaries of life that were required, *leaving only £113,000 to pay for £434,000 of merchandise imported from Great Britain*. Here the amount of exchanges is large, and the quality of labour would appear to be high, but it has that appearance solely because the chief part of the commodities produced *must be exchanged, and cannot be consumed in the form in which they are produced in New Holland*.

The colonies upon which Great Britain is now wasting the largest amount of capital are those of Australia. That expenditure takes place in the form of large exports of merchandise for which no returns are received, and if thereto be added the capital of individuals who endeavour to find there the means of improving their condition, we shall be able to account for the amount of their imports, as we have already done for their exports.

The reader will find these facts very differently stated by Col. Torrens, (*Colonization of South Australia*, p. 219,) who believes in the advantage of the Australian colonies. He certainly proves a *very large outlay*, but he fails to prove a *return at all corresponding thereto*.

find that, as population becomes more dense, canals and roads become more numerous and better maintained, and that a *diminished proportion* of the goods carried thereon is demanded as toll. France should therefore have better roads than the United States, and her tolls should be lower; England should be better supplied than either France, the United States, or Scotland; New York than Pennsylvania or Ohio; and Ohio than Indiana or Illinois.

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The improvements in the communications of INDIA, from 1824 to 1831, are thus given by Mr. Martin.\*

#### BENGAL.

- 1824.—Road between Nagpore and Ryepore. A new road from Mirzapore to Saugor, Jubbulpore, &c.
- 1825.—Erection of Bungalows and Seraies for travellers on the military road from Calcutta to Benares. Road from Cuttack to Padamondy, or Aliva.
- 1826.—A new dawk road between Calcutta and the new anchorage.
- 1827.—Four Shakspearian bridges.
- 1828.—Removing rocks in the Jumna. Nine iron chain bridges over the rivers in Kumaon.
- 1829.—Roads in the district of Jounsai and Bhowar. A road from Balasore to the sea beach.
- 1830.—A new road from Cuttack to Ganjam; Jynta road ditto, *via* Hooghly and Burdwan to Bancoorah; staging Bungalows and Seraies at Gopeegunge, Allahabad, &c.; seven telegraphic towers, on the Semaphore principle. from Kedgeree to Calcutta.
- 1831.—Assisting the Strand road at Calcutta.

#### MADRAS.

- 1824.—Canal at Chumnapore. Great road from Secunderabad to Masulipatam. Great road from Madras to the Bengal frontier.
- 1825.—A tunnel from fort St. George to the sea.
- 1826-7-8.—Several bridges and roads in various places.
- 1829.—Military road through Coorg.
- 1830.—A new cut across the Kendalseroo river in Nellore.

#### BOMBAY.

- 1825.—Military road from South Mahratta country to the coast. Road from Nassick to Bhewndy.
- 1826.—Improvement of Sion Causeway. Bridge over the Moolla.
- 1827.—Improvement of the Bhore Ghaut. Road from Malligaum to Surat.

\* Colonial Library. East Indies, Vol. II. p. 346.

power in *some* of the departments of national industry ; and have merely attempted to show, that even with such an admission, an assumption that the decrease necessarily originates in agriculture, is inadmissible. Hereafter, we shall have occasion to prove, that the admission itself is too large ; that a decrease in the rate of profit with stationary wages, does not of itself indicate any diminution of the productive power in the population ; that it is even quite consistent with advancing efficiency in the national industry, and may be accompanied by a steady increase of the power of accumulating fresh capital ; but the development of this proposition belongs to another part of our subject.”\*

If the whole product be divided, as it must be, between the producer and the owner of the capital, and one remain stationary while the other is depressed, the cause is to be found in *decreased production*. It cannot “be accompanied by a steady increase in the power of accumulating fresh capital.”

Mr. Jones has shown very clearly that facts are in decided opposition to the doctrine of Messrs. Malthus and Ricardo, but he was himself embarrassed by that of monopoly and appropriation, and he did not remark that the reduction in the proportion of the capitalist is accompanied by an increased return for the use of capital. In consequence he has, we think, failed to give a satisfactory view of the causes of the variations in the mode of distribution.

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We here close this review, and must now request the reader to turn to Chapter IX, and read the summary there given of the laws of the production and distribution of wealth, and satisfy himself whether they, or those proposed by the other writers whose works we have reviewed, are most in accordance with the phenomena offered to his consideration in the various states of society.

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In the course of this investigation we have had occasion to use several terms in a sense different from that which is attached to them by some other writers, and will therefore now proceed to offer our definitions, with the reasons for using them in the manner we have done.

\* Jones on the Distribution of Wealth, pp. 274, 275.

New York,\* yet the whole amount received upon all the rivers and canals is only 3,700,000 francs, or 790,000 dollars, being but little more than the toll received on a single canal, of 36 leagues in extent, in the State of Pennsylvania.

The rail roads of France are, as yet, only about 50 leagues in length.† For many years it has been in contemplation to make a canal or rail road from Havre to Paris, and thence to the Rhine; but it is not yet commenced, although offering greater advantages than almost any other route in Europe. The people, long accustomed to look to the government to provide them with such improvements in the mode of transport as may be necessary, are not prepared to invest their capital in the making of roads and canals, and thus even the great city of Paris has neither the one nor the other to connect it with its seaport. A recent writer says,

“The want of canals and navigable rivers in most parts of the kingdom, compels the inhabitants generally to have recourse to the roads for the conveyance even of the most bulky articles of merchandise. The raw cotton is transported by land from Havre to Alsace, a distance of 440 miles.” He adds that, “though rich in minerals and vegetable productions, all industry is checked for want of means of export, and by reason of its small internal consumption.”‡ This state of things is, as he says, strikingly portrayed by M. Cordier, one of the most skilful of French engineers, in his able work, “*Sur les Ponts et Chaussées*,” from which he gives the following passage:

“Je parcours apres une longue absence les departemens du Jura, de l’Ain, du Saone et Loire, du Rhone, et les provinces intérieures du Royaume; je trouve les chemins vicinaux, les rivières, les fleuves, dans l’ancien état de nature; on n’arrive d’une contrée à l’autre que par des directions forcées et difficiles. En s’écartant des grandes routes entretenues, on entre dans des espèces de déserts; on ne découvre plus que quelques traces des familles qui ont illustré ou enrichi la France; on n’aperçoit que les ruines de leur demeures, ou des débris de domaines qui passent sans cesse de main en main, ou s’exploitent par procuration, au détriment du maître et de la contrée. J’ai traversé plusieurs fois dans différens départemens vingt lieues carrées, sans rencontrer un canal, une route, une manufacture, et surtout une terre habitée. La campagne semble un exil abandonné aux malheureux; ses intérêts et ses besoins sont méconnus, et sa détresse toujours croissante par le bas prix des produits et la difficulté des transports.”

\* Lettres sur L’Amérique du Nord, t. II. p. 511.

† Ibid. p. 540.

‡ Quarterly Review, Vol. XXX. p. 412.

If the "*dixaines de millions*" that must be raised to maintain such colonies as that of Algiers, were left in the pockets of the producers, or applied to the construction of rail roads, France would advance more in twenty years, than under the system of colonization in a century. Were they to be so applied, she would require no "drain for her surplus population," but on the contrary, would find a constantly increasing demand for it.

The necessary effect of this want of facilities is, that a considerable proportion of the merchandise is absorbed by the cost of transportation. Nearly all is transported by wagons, and the finest rivers of France remain idle, while the roads at the side are worn into ruts by the passage of vehicles laden with enormous masses of merchandise.\* The cost of carriage is stated at 300 francs, (\$ 56) per ton, for 283 leagues. From New York to Portsmouth, Ohio, by way of the lakes, the distance is nearly 400 leagues—the cost from \$ 36 to \$ 40 per ton—and the time about 20 days. The cost of transporting produce to *New York from the west* is considerably less. The time required by way of the Pennsylvania canal and the Ohio river is much less than by the lakes.

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If the transportation of merchandise be slow and expensive, not less so is that of travellers. It is a royal monopoly, and is exposed to all the inconveniences that arise from want of competition. M. Chevalier states, that the time required for the passage from Brest to Marseilles, exceeds eight days. The distance is 650 miles, being the same as that from Philadelphia to Buffalo, which is accomplished in about three days.

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Improvements in the mode of transporting passengers, either in or out of Paris, cannot be made, except by permission of the government. A recent improvement is stated to have been made in the construction of the omnibus, by which the passengers are to have their feet warmed, and independently of the tax laid upon every public carriage, the inventors of the new vehicle offered to the city of Paris and the hospitals a retribution which, in a few years, would amount to about 300,000 francs. *It was, therefore, confidently expected that the Prefect of Police would allow the new vehicle to be started immediately.*

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\* "From Lyons we continued a long way on the border of the rapid Rhone, upon which we saw but one vessel, whilst the road presented a constant succession of wagons. Such a river in America, between two great cities, would be covered with steamboats. It is contemplated to establish one here, (1830.)"—*Peale's Notes on Italy.*



## CHAPTER XIX.

## CAPITAL.—DEFINITION. ADVANTAGES OF CAPITAL. DIVISION OF LABOUR.

UNDER the head of capital we include *all articles possessing exchangeable value, the accumulated results of past labour.*

It is defined by Mr. Senior to mean

*“An article of wealth, the result of human exertion, employed in the production or distribution of wealth.”\**

He limits it to articles that are

“The result of human exertion, in order to exclude those productive instruments to which have been given the name of natural agents, and which afford not profit, in the scientific sense of that word, but rent.”†

In thus excluding land, as well as all articles of wealth not employed in the production or distribution of wealth, Mr. Senior agrees with nearly all political economists, but we cannot agree in the propriety of the exclusion. We have shown that the value of land is derived exclusively from the labour that is bestowed upon it, and that it is governed by the same laws which govern all other capital. It must therefore be treated as capital. We shall add nothing to what we have already said on that subject, but will now inquire into the propriety of excluding commodities not applied to the production of additional wealth.

The hut of the woodman, and the cottage of the labourer, are unquestionably capital. They aid production, by preserving health. The dwelling house of the mechanic, of the merchant, and of the judge, are equally necessary, and it is difficult to tell where to draw the line between the log-hut of the settler, and the palace of the Marquis of Westminster. The horse of the farmer and the carriage of the physician are productively employed. The diamond in the possession of the owner of the mine, or of the diamond merchant, is capital. Can its transfer to the possession of the person who wears it change its cha-

\* Outline, p. 153.

† Ibid.

racter? The man who owns capital in the form of bank stock may to-morrow change it for capital in the form of Apsley-House, while the owner of the latter may find it more convenient to convert it into bank stock. Is it not equally capital in either form? Gold is admitted to be capital while it remains in the form of coin; when converted into ornaments it is still capital in the hands of the shopkeeper: when those ornaments are transferred to the persons who uses them, their character is supposed to be lost: yet it may be regained if the purchaser will return them to the shopkeeper.

A. possesses a diamond which he desires to sell, value \$50,000. In his hands it is admitted to be capital. B. possesses bank stock to the same amount, making a total of \$100,000. B., however, concludes to sell his stock, and purchase the diamond to ornament his sword hilt, and by this operation, according to most writers, the capital is reduced to \$50,000, but will be restored to its original amount, if B., instead of using it, will make up his mind to hold it for sale, placing it for that purpose in the shop of a dealer. This seems very absurd, but it is precisely the effect of the exclusion.

According to this limitation, the bricks and mortar applied to building a store-house are capital, while those employed in the construction of the fine dwelling-house of the proprietor are not. They become so, however, when the time arrives for converting the dwelling house into a place of business. The attempt to establish such distinctions leads to difficulty, and should be abandoned. Bank stock, rail roads, store-houses, dwellings, gold, silver, diamonds, and pearls, and all other articles possessing exchangeable value, constitute the capital of a nation, and whether the owner of a portion of it be disposed to let it remain in the form of diamonds, yielding him gratification in one form, or invests it in machinery that shall yield him gratification in another, is totally unimportant. Nearly the whole amount that exists is directly used in aiding labour,\* and thus

\* A recent writer has arrived at the very singular conclusion, that when capital is used to aid production, commodities cannot be sold as cheap as when it is not so aided.

"In France, Switzerland, and Savoy, such proprietors (those who cultivate land without assistance, except from their own families,) are very common. There

of planes, the inclination of which is sometimes equal to  $\frac{1}{10}$ . The population of this State, in 1830, was 1,348,000, yet the canals and rail roads completed, or now in progress, nearly equal in extent those of England and Wales, with a population of fifteen millions, and those of France, with a population of thirty-four millions.

The three States of New York, New Jersey, and Pennsylvania, with a population little exceeding 4 millions, have completed, or in progress, nearly 6000 miles of rail roads and canals, being double the amount possessed by France, and almost double those possessed by England.\*

\* "It is a beautiful spectacle to see a young nation executing in the short space of 15 years, a mass of communications, the idea of which would alarm the most powerful empires of Europe, with a population triple or quadruple their numbers. The national advantages that have been and will be gained therefrom are incalculable. These numerous and rapid communications will contribute to the maintenance of the Union, even more than the balancing of the national representation. When New York shall be, not only for the wealthy, but for every merchant and every workman, at only six or eight days distance from New Orleans,† separation will become impossible. \* \* \* The governments of Europe dispose of the labour and of the wealth of more than 250 millions of men, being twenty times more than the population of the United States, when they began their system of communications. The territory requiring their care is not four times greater than that of the States and organized territories. The thousands of millions which they obtain so readily for warlike purposes, for the destruction of their fellow men, never fail, except when required for useful enterprises."—*Chevalier, t. II. p. 104.*

M. Chevalier estimates the total amount of canals and rail roads of Europe, Great Britain included, at 3100 leagues, and those of the United States, at 3050 leagues.—*Ibid. t. II. p. 44.* Although but three years have elapsed since he travelled therein, the increase has been immense, as the reader has already seen.

† From Boston to the Gulf of Mexico, a distance of 1,200 miles, two thirds of the expenditure required will have been incurred before the conclusion of 1838. Several connecting roads are required for completing the line of communication, but their expense will not exceed one half of what has been required for those completed or already far advanced. Seeing the extraordinary rapidity with which works of this kind are produced, a recent traveller says,

"C'est cette raison, c'est ce bon sens pratique et cette audace d'entreprises, qui ont enfanté l'industrie Américaine, dont les prodiges nous étonnent. Voyez vous, émules des fleuves, ces canaux dont le destin est de réunir un jour la mer Pacifique à l'océan; ces chemins de fer, qui se glissent dans le flanc des montagnes, et sur lesquels la vapeur s'élance plus puissante et plus rapide que sur la surface unie des eaux; ces manufactures qui surgissent de toutes parts; ces comptoirs qu'enrichit le commerce de toutes les nations; ces ports où se croisent mille vaisseaux; partout la richesse et l'abondance: au lieu des forêts incultes, des champs fertiles; à la place des déserts, de magnifiques cités et de rians villages, sortis du sol par je ne sais quelle magie, comme si la vieille terre d'Amérique, si long temps barbare et sauvage, était grosse enfin d'un avenir civilisé, et que son sein fécond dût engendrer des moissons sans culture, et des villes sans main-d'œuvre, comme il avait enfanté des forêts."—*M. de Beaumont, Marie, t. I. p. 231.*

The property that passed on the rail roads and canals of New York and Pennsylvania alone, paid toll, in 1837, amounting to between three and four millions of dollars. If to this be added that which must pass upon all the other roads and canals throughout the Union, some idea may be formed of the vast amount of capital that must be invested in canal boats, locomotive engines, rail road cars, &c., and which must equal many millions of dollars.

At the commencement of the rail road system, the engines were imported from England; but at present they are all built in the United States, and some of the factories devoted to their construction are on the largest scale. The performances of some of the engines they have produced are very extraordinary, and in consequence several have been ordered for exportation to Europe.\*

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In the construction of these roads and canals, it has been an important object, as far as possible, to economise human labour, and accordingly there have been invented various machines by which labour has been so greatly aided, that notwithstanding its high price, the cost of construction has been less than it would have been in France.†

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FACILITIES OF CORRESPONDENCE.

With every increase of population and of capital, there is an increased facility of maintaining good roads, accompanied by a diminution in the cost of transmitting intelligence, whether by letters or by newspapers, and requiring a constantly diminishing *proportion* of the population to be employed in their transmission and delivery. That such is the case, is abundantly proved in the United States, as we pass from Arkansas through Illinois, Indiana,

\* We have now before us an account of the performance of an engine built in Philadelphia, for the road from Vienna to Trieste, which ascended a plane, rising 369 feet in a mile, the length of which was 2807 feet, in 3½ minutes, with a load, engine included, of 48,500 pounds. It afterwards drew a load of 200 tons, over a grade of 51 feet to the mile, at a speed of ten miles per hour. There are now in the United States twelve factories for the construction of locomotive engines, capable of producing 130 per annum. Three of them are on a large scale, and would produce among them nearly 100.

† "The cost of the public works of the United States is less than of those of Europe, although the price of labour is twice or three times as high."—*Chevalier*, t. II. p. 96.

improve the taste of their manufacturers, and have placed them above the competition of other nations. The common schools of New England would be deemed luxuries by the people of Russia, and they would be unable to see that their possession would improve their productive powers; but to the people of New England they are necessities of life, and to the possession of them is due the superior productiveness of their labour. Whatever tends to improve the quality of labour, may be styled capital, and in this sense education may properly be so denominated. As, however, it would be impossible to distinguish between the compensation of the labourer and the mechanic—the mechanic and the artist—the term is limited to those material products which may be parted with, and which may be used by the owner, or by others—to articles possessing exchangeable value.

Mr. Senior says, again,

“Economists are agreed that whatever yields a profit is properly termed capital.”\*

Mr. Senior would deem the telescope of Herschel, the library of Baily, the apparatus of Berzelius, and the collection of Buckland, entitled to be considered capital, yet they yield no pecuniary profit. The profit derived by Mr. Heber from the possession of his library was of the same kind that is obtained by the owner of Devonshire House, which is equally entitled to be ranked as capital.

On this head Mr. M'Culloch says, with great truth, that

“The questions as to the mode of employing an article, and the consequences of that employment, ought surely to be held to be, what they obviously are, perfectly distinct from the question whether that article is capital. For any thing that we can, *a priori*, know to the contrary, a horse yoked to a gentleman's coach may be quite as productively employed as if he were yoked to a brewer's dray; but whatever difference may obtain in the cases, the identity of the horse is not affected—he is equally possessed, in the one and the other, of the capacity to assist in production; and solely as he possesses that capacity, he ought to be viewed, independently of all other considerations, as a part of the capital of the country.”†

Although “the mode of employing an article” is not important,

\* Outline, p. 156.

† Principles, p. 98.

Mr. McCulloch deems it necessary that it should be capable of assisting production, and thus he says, "capital is only another name for all those commodities or articles produced by human industry, that *may be made* directly available to the support of man or the facilitating of production."\* The gold ornament may be made capable of assisting production by returning it into the shape of coin. Kensington Palace, or that of Fontainebleau, may be made capable of assisting production by filling them with machinery. The glazier and the worker in precious stones would make little progress without the aid of the diamond. In fact, scarcely any article of wealth exists that may not be made directly available for the increase of production.

Adam Smith does not admit dwelling-houses to be included under the term capital, but his reasons therefor appear to us not more conclusive than those against including diamonds.

"One portion," he states, "of the stock of a society is reserved for immediate consumption, of which the characteristic is, that it affords no revenue or profit. The whole stock of mere dwelling-houses makes a part of this portion. If a house be let to a tenant, as the house itself can produce nothing, the tenant must pay the rent out of some other revenue which he derives either from labour, or stock, or land. Where masquerades are common, it is a trade to let out dresses for the night. Upholsterers frequently let furniture by the month or the year. The revenue, however, which is derived from such things, must always be ultimately derived from some other source of revenue. A stock of clothes may last for several years; a stock of furniture half a century or a century; but a stock of houses, well built and properly taken care of, may last many centuries. Though the period of their total consumption, however, is more distant, they are still as really a stock reserved for immediate consumption as either clothes or furniture."†

The stock of sugar and coffee in the hands of the dealer is deemed capital, but the house in those of the owner is not, yet the former are intended to be *consumed*, while the latter is only to be *used*. The cottage of the small farmer is as indispensable to the steady and profitable prosecution of his labour as his plough, or his spade, and is one of the most important instruments of production.

\* Principles, p. 333.

† Book 2. ch. I.

setts, of New England, of New York and Pennsylvania, is constantly absorbed thereby.

In passing from Massachusetts to France, we should find improved means of communication, whereas, we find that instead of one post office to every 14 square miles there is only one to every 138; that in England there is only one to 60; and that in India there is no mail but that conveyed on foot. The cause of this is to be found in the fact, that in the United States the government does not require to use the post office as a means of raising revenue for the support of wars, or for the maintenance of colonies, but that it appropriates the whole income to the purpose for which it was raised; whereas, in both France and England, being required for other purposes, it cannot be so employed.

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#### EDUCATION.

In nothing whatever are the advantages incident to an old and dense population more decided than in the facility of diffusing education. In a country thinly peopled, the difficulty of obtaining good teachers is great, because of the limited means of the people, and the comparatively small number that can unite in providing compensation. Even when the exertion is made, the distance of the pupils from their instructors renders it difficult for them to give regular attendance, and a large portion of their time is wasted. In France, with 160 to a square mile, if we suppose one fourth of the population to be of age to attend school, every mile would give 40 pupils, and the occupants of every two miles could furnish 80 pupils, a moderate contribution from each of whom would give a fair compensation to the teacher. In Massachusetts, with 80 to a mile, every two miles would give 40; in New York they would give only 20; but in Arkansas it would require the combined exertions of the inhabitants of many miles to furnish a very small compensation. When to this is added the fact, that where a population is comparatively dense, as in Massachusetts, the average income of the people is far greater than in Arkansas, it will be seen how vast are the facilities for education in a community in which the population is dense, compared with one in which it is scattered. We shall have occasion to show, that the results observed in the United States are in exact accordance with the views here offered to the consideration of the reader. Such would likewise be the case in other countries, and we should find a greater diffusion of education among the people

of France, England, and India, than in the United States, were it not for the various disturbing causes to which we have already referred as impeding the growth of capital, and preventing improvement in the *quality of labour*.

“Education,” says Sir Alexander Johnston,\* “has always, from the earliest period of their history, been an object of public care and of public interest to the Hindoo governments in the peninsula of INDIA. Every well regulated village under those governments had a public school and a public schoolmaster. The system of instruction in them was that which, in consequence of its efficiency, simplicity, and cheapness, was, a few years ago, introduced from Madras into England, and from England into the rest of Europe. Every Hindoo parent looked upon the education of his child as a solemn duty, which he owed to God and his country, and placed him under the schoolmaster of his village as soon as he had obtained his fifth year. The ceremony of introducing him for the first time to the schoolmaster and his scholars was publicly recorded, and was attended with all the solemnity of a religious observance; a prayer being publicly offered up on the occasion, to the figure of Ganesa, the Hindoo God of wisdom, which was at the head of every Hindoo school, imploring him to aid the scholar in his endeavours to learn and become wise.”

Such *was* the case, and information was widely disseminated among the people, but India passed under the dominion of foreigners, and the scene changed rapidly. The throne that was established by violence could be sustained only by force of arms, and the nation was involved in a constant succession of civil wars, the only object of which was to determine who should be its master. These wars diminished the power of production, at the same time that for their maintenance it was necessary to increase the burthen of taxation, and thus we find each successive monarch *increasing the proportion* of the product of labour, *to be taken as rent or tax*. Every such increase tended more and more to deprive the people of the power of improving their condition, whether by increasing the machinery of production, or by giving education to their children. At length came the first adventurers from England, who increased the burthens of these poor people to such an extent, that vast districts were depopulated.† Under such circumstances, education could not be

\* In a letter to Mr. C. Grant, President of the Board of Control.

† See page 54, *ante*.



and the laws which regulate the profit derivable from them are the same. The purchasers of land, houses, and bank stock, make precisely the same calculations in regard to the revenue derivable from them, except that they usually look to receive smaller interest from the former than from the latter. Not only the "greater part," but the whole of what is termed rent may be called "profit."

Mr. Senior uses the term *abstinence* in lieu of capital, desiring

"To express that agent, distinct from labour and the agency of nature, the concurrence of which is necessary to the existence of capital, and which stands in the same relation to profit, as labour does to wages."\*

We cannot but think Mr. Senior has made a material error in the adoption of this term. The reward of abstinence is the possession of capital—the compensation for capital is profit. The effect of temperance and good conduct is the power to labour—the compensation for labour is termed wages. If abstinence be adopted in place of capital, temperance must be adopted in place of labour. If the one secure the acquisition of profits, the other equally secures the power to obtain wages. If the owner of a steam engine sells the right of using so much *abstinence*, the coal dealer who supplies the fuel sells so much *labour*, and that term should be substituted for that of *commodities*. We should then have abstinence for capital—temperance for labour—and labour for commodities.

Capital was divided by Adam Smith, into fixed and circulating, and in that division he has been followed by nearly all writers on the subject. He says,

"There are two ways in which a capital may be employed so as to yield a revenue or profit.

"First, it may be employed in raising, manufacturing, or purchasing goods, and selling them again with a profit. The capital employed in this manner yields no revenue or profit to its employer while it either remains in his possession or continues in this shape. The goods of the merchant yield him no revenue or profit, till he sells them for money, and the money yields him as little, till it is again exchanged for goods. His capital is continually going from him in one shape and returning to him in another, and it is only by means

\* Outline, p. 153.

of such circulation, or successive exchanges, that it can yield him any profit. Such capitals, therefore, may properly be called *circulating* capitals.

“Secondly, it may be employed in the improvement of land, in the purchase of useful machines and implements of trade, or in such like things as yield a revenue or profit without changing masters or circulating any further. Such capitals, therefore, may properly be called *fixed* capitals.

“The capital of a merchant is altogether a circulating capital. He has occasion for no machines or instruments of trade, unless his shop or warehouse be considered as such.

“Some part of the capital of every master artificer or manufacturer must be fixed in the instruments of his trade. This part, however, is very small in some, and very large in others. A master tailor requires no other instruments of trade than a parcel of needles; those of a master shoemaker are a little, though but a little, more expensive.

“In other works a much greater fixed capital is required. In a great iron work, for example, the furnace, the forge, the slit mill, are instruments of trade which cannot be erected without a very great expense. That part of the capital of the farmer which is employed in the instruments of agriculture is a fixed, that which is employed in the wages and maintenance of his labouring servants is a circulating, capital. He makes a profit of the one by keeping it in his own possession, and of the other by parting with it. A herd of cattle, bought in to make a profit by their milk and increase, is a fixed capital; the profit is made by keeping them. Their maintenance is a circulating capital; the profit is made by parting with it.”\*

It is difficult to imagine any advantage that can arise out of this distinction, while it cannot fail to be the cause of much error. The goods of the merchant who sells cloths, or sugars, are circulating capital, as are those of the dealer in bricks and mortar. Those of the dealer in houses, who buys and sells bricks and mortar to the amount of millions, are fixed capital. He, however, does not make a profit by keeping, but by selling them. The dealer in lands makes his profit by selling them. One man deals in ships—a second, in canal boats—a third, in cloths—a fourth, in coffee—a fifth, in houses,—a sixth, in machinery—

\* Book 2. ch. I.

In the Bombay presidency, with a population of  $6\frac{1}{2}$  millions, there are 25 schools, the teachers of which are paid by government, with 1315 scholars; and 1680 village schools, with 33,838 scholars.\* At Bombay, the Native Education Society, supported by voluntary contribution, expends annually from 70 to 80 thousand rupees, (35 to 40 thousand dollars,) in the promotion of this great object. They have now 56 schools, with 3000 scholars.†

In FRANCE, the control of all education is monopolized by the government. The following view of the system shows that the fondness for managing the business of individuals, is fully carried out in this important department of public economy.

“The Royal University is the head and heart of education throughout France. The minister of public instruction is its chief, and has the title, in that quality, of Grand Master. He is appointed by the king, and has afterwards the nomination of all the functionaries of the universities, colleges, and schools throughout the kingdom, besides many other powers which are too numerous to mention. He has associated with him a council composed of thirty members, of whom ten are counsellors for life. The university itself consists of as many academies as there are courts of appeal in the country, viz. twenty-seven; and these academies, in themselves a fiction like the great university, are composed of establishments, more or less in number, of all grades within their circuit; of the highest kind called faculties, and of royal colleges, communal colleges, private institutions, boarding schools, and elementary schools. The three latter sorts of seminaries really belong to the university, but only as outworks. All these establishments, except those for primary instruction, are directly provided with teachers by the central authority; with *doyens des facultés* and *aggrégés* for the faculties; with *proviseurs*, censors, economists, treasurers, and professors, for the royal and communal colleges; with principals, *chefs d'institution* and *maitres d'étude*, for private institutions. Most of these receive salaries from the State, and all of them their appointments from it. Several of these agents have nothing to do with instruction. The *proviseurs* have only to care for the household regulations of the institutions to which they belong, and to the good conduct of the pupils placed under their guardianship. The censors superintend merely the studies; and the treasurers and economists keep the accounts and pay the expenses. All these are simply overseers. There are then thirty inspectors general, and in addition, two inspectors for each academy; and the members of the great council of the university may be called upon on an emergency to visit any of the State establishments. There are besides, academic councils established in

\* Martin's Colonial Library. East Indies, Vol. II. p. 188.

† Ibid. p. 191.

every *chef-lieu* of an academy, with an officer called a regent, at its head. Reports to and from this council are passing continually from every intermediate authority up to the chief authority ; and the great council sits twice a week, to take them into consideration. In every city, too, where there is a royal college, there is attached to it a *bureau* of administration, consisting of the *prefet* of the department, the president of the tribunal of appeal, a commissioner of the government appointed to this tribunal, another belonging to the criminal tribunal, and of the mayor and a proviseur. *Private establishments are also placed under the surveillance of the prefect of the place where they exist, and their directors are forced by law to take their pupils to receive lessons at the royal colleges, or to teach nothing but grammar, and the elements of arithmetic and geometry.* Primary schools are equally under government control. The immediate authorities over them, appointed by the university regulations, are committees, formed of mayors or *adjoints* as presidents, and of *curés*, or pastors, as members. In addition to this, there may be another, or many other committees established in the several *arrondissements* having the same charge, composed of mayors, *juges de paix*, the oldest *curé*, a proviseur of a college, a head master of a school, three members of the academic council, and the *procureur du Roi*, under the presidency of the *prefet* of the department ; and these committees are to assemble at least once a month. There is likewise a special inspection in every department for the primary schools. But more than all this, *even private societies for education cannot be formed without the authorization of the university, and are under the obligation of receiving from them all their laws and regulations.* They are at once absorbed by the university, and form virtually a part of it.”\*

The results of the system are such as might be expected. Out of 40,000 communes, of which the kingdom is composed, more than 15,000 are stated by M. Dupin to be without schoolmasters.† He says that, whereas but seven millions could read forty years since, twelve millions can now read,‡ being little more than two fifths of the population.

In 1830, of 294,393 conscripts—

13,852 could read,  
127,169 could read and write,  
146,302 could neither read nor write,  
9,070 unknown.

Thus, more than one half of the young men brought forward under the conscription, could neither read nor write, and about one tenth of the remainder could not write. M. Dupin says it must be acknowledged that, “except the Spanish Peninsula, the

\* Blackwood's Magazine, 1836, p. 578.

† Forces Commerciales, t. I. p. 55.

‡ Ibid. Introduction, p. xxiii.

a "supply of disposable capital can alone have any influence upon the rate of interest." All capital is disposable. A man occupies a certain amount of it invested in a house, but if he can obtain a good rent for it, he will remove to another. Another has a mill; a third, a steam-engine; a fourth, a horse; a fifth, a ship; a sixth, some gold and silver. All of these parties will sell if they can have price enough; all will lend if they can obtain sufficient compensation for its use. All the articles we have mentioned may be included under the head of "disposable capital."

The "rate of interest" on houses is high or low according to the proportion which the supply bears to the demand. So is that in ships, steamboats, or gold and silver. If houses will yield twelve per cent. upon the cost, while gold will yield only six, the owner of gold will give an increased quantity of it for a house, in order to secure larger revenue. If gold will yield ten per cent., while houses will yield only five, the owner of houses will accept a smaller quantity of gold in exchange for it.

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The distinctions to which we have adverted can tend only to cause confusion and difficulty. All capital is subject to precisely the same laws, and it is entirely unimportant in what form it is accumulated, as we may safely trust that every man will endeavour to have it in such form as will most tend to enable him to improve his condition.

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The manner in which labour is aided by capital and by the division of labour, or of employments, is so well stated by Mr. Senior, that we shall give nearly the whole in his own words. In the few cases in which we differ from him, our remarks will be included within brackets, thus [ ].

"The principal advantages derived from abstinence, or, to express the same idea in more familiar language, from the use of capital, are two: first, the use of implements; and second, the division of labour. [The division of labour would be complete were there but a single couple on the earth, without capital. The husband would take the deer, and the wife would prepare the food and convert the skins into clothing. With the increase of capital there is an *increased* division of labour.]

"Implements, or tools, or machines (words which express things perhaps slightly different in some respects, but precisely similar so far as they are the subjects of political economy) have been divided into those which produce power, and those which transmit power. Under the first head are comprehended those which produce motion independently of human labour. Such are, for instance, those machines which are worked by the force of wind, of water, or of steam.

"The second head comprises what are usually termed tools, such as the spade, the hammer, or the knife which assist the force, or save the time of the workman, but receive their impulse from his hand.

"To these two classes a third must be added, including all those instruments which are not intended to produce or transmit motion, using that word in its popular sense. This class includes many things to which the name of implement, tool, or machine is not generally applied. A piece of land prepared for tillage, and the corn with which it is to be sown, are among the implements by whose use the harvest is produced. Books and manuscripts are implements more productive than those invented by Arkwright or Brunel. Again, many of the things which popularly *are* called implements, such as the telescope, have no reference to motion; and others, such as a chain, or an anchor, or indeed any fastening whatever, are intended not to produce or transmit, but to prevent it.

"The instruments which derive their impulse from the person who works them are in general of a simple description, and some of them are to be met with in the rudest state of human society. The first subsistence offered by nature to the savage consists of the brutes around him; but some instruments beyond the weapons which she has given to him must enable him to take advantage of her bounty.

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"The superior productiveness of modern compared with ancient labour depends, perhaps, principally on the use of those instruments (which produce motion, or as it is technically termed power.) We doubt whether all the exertions of all the inhabitants of the Roman empire, if exclusively directed to the manufacture of cotton goods, could, in a whole generation, have produced as great a quantity as is produced every year by a portion of the inhabitants of Lancashire; and we are sure that the produce would have been generally inferior in quality. The only moving powers employed by the Greeks or Romans were the lower animals, water, and wind. And even these powers they used very sparingly. They scarcely used wind except to assist their merchant vessels in a timid coasting; they used

are educated at private schools, academies, and colleges.\* The education of the superior classes has been at all times deemed more worthy of the attention of the government, than that of the labouring population, as will be seen by the following statement of expenditure for such purposes.

	1822. <i>Francs.</i>	Annual average, from 1822 to 1832. <i>Francs.</i>
Central administration, -	25,000	25,000
Royal colleges, -	1,770,260	1,715,283
<i>Primary instruction</i> , -	-	252,699
Scientific and literary establishments,	1,333,318	1,377,461
Premiums of encouragement and sub- scription, - - -	167,000	168,998
	<hr/> 3,295,578	<hr/> 3,539,441†

Here we see that the main object of the government is the support of royal colleges, and thus young men whose means are sufficient to enable them to visit Paris and spend their time in that capital, can obtain, gratuitously, an education to fit them for the medical and other professions, while a large portion of the communes have not even a primary school. Large sums are also expended in the support of literary and scientific establishments, none of which are accessible, except to those who can visit the capital. The *Bibliothèque du Roi*, the Gallery of the Louvre, and the *Jardin des Plantes*, upon which a large portion of this expenditure is bestowed, out of the sums raised by taxation from the wretched labourers of the south of France, are inaccessible to more than thirty millions of the people of the kingdom, while the contributions required for the support of such institutions, would go far towards establishing primary schools in almost every commune. The effect of this system is to give to the wealthy the means of obtaining, at small cost, a good education, and to deprive the poor of the means of obtaining any information whatever—to keep them in a state of ignorance in which, according to M. Chevalier, “the machines used in science and in manufactures, such as the steam engine, the balloon, the voltaic pile, the lightning rod, inspire a religious terror.” He adds that, “in France, of one hundred peasants, not one could be found, who, after viewing their effects, would dare to place his hand upon them; they would fear to be struck dead,

\* Chevalier, t. II: p. 312.

† *Documens Statistiques de la France.*

like the sacrilegious being who touched the ark of the Lord." In America, on the contrary, as he says,

"They are familiar objects. The people know them all, at least by name, and feel their power over them. For the French peasants they are mysterious beings, like the fetish for the negro, or the manitou for the Indian : but for the cultivator of the solitudes of the west, equally with the members of the French Institute, they are tools—instruments to assist him in labour or in experiments. He is, in fact, an adept."\*

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In ENGLAND, "no public provision has been made for the bulk of the people. All that has been accomplished in this way has been the work of benevolent individuals and associations."† Here we find a course of operation differing from that of France, in which the whole control of national education is assumed by the government. The results are thus given. Out of a population of about 14,400,000, there were in attendance at

Daily schools,	-	-	-	-	1,187,942
Infant schools,	-	-	-	-	89,005
Sunday schools,	-	-	-	-	1,548,890‡

These numbers are said to be greatly exaggerated, but if they are not so, the first class constitutes only about 8 per cent. of the population, while the proportion of children from five to fifteen years of age was 24 per cent., so that only one-third of them enjoyed the advantage of education at daily schools.

A large portion of the schools are of comparatively recent origin, and can, as yet, have had but little influence upon the education of those who contribute to production. It is stated that there have been established, since 1818, 10,645 infant and daily schools, having, in 1834, 671,243 scholars; and 11,285 Sunday schools, having 1,125,397 scholars.§ Thus one half of the day scholars of 1834 attended schools that had no existence previously to 1818, and nearly three fourths of the Sunday school scholars were in a similar condition. It follows, of course, that a large portion of the existing generation has not enjoyed the advantage of even a Sunday school education. Of the extent to which instruction is disseminated among the labouring classes, some idea may be formed from the fact, that returns of fourteen

\* Tom. II. p. 404.

† M'Culloch's Statistics, Vol. II. p. 440.

‡ Porter's Statistical Tables, Part IV. p. 428.

§ Ibid.



mere labour necessary to constant transcription, even supposing the materials to be of no value, would have been such as still to leave books an expensive luxury. But the combination of these two instruments, each separately of little utility, has always been considered the most important invention in the history of man.

“The second of the two principal advantages derived from abstinence, or, in other words, from the use of capital, is the [increased] division of labour.

“We have already observed that division of production would have been a more convenient expression than division of labour; but Adam Smith’s authority has given such currency to the term division of labour, that we shall continue to employ it, using it, however, in the extended sense in which it appears to have been used by Adam Smith. We say *appears* to have been used, because Smith, with his habitual negligence of precision, has given no formal explanation of his meaning. But in the latter part of his celebrated first chapter, he appears to include among the advantages derived from the division of labour all those derived from internal and external commerce. It is clear, therefore, that, by division of labour, he meant division of production, or, in other words, the confining as much as possible each distinct producer and each distinct class of producers to operations of a single kind.

“The advantages derived from the division of labour are attributed by Smith to three different circumstances. ‘First, to the increase of dexterity in every particular workman; secondly, to the saving of the time which is commonly lost in passing from one species of work to another; and lastly, to the invention of a great number of machines which facilitate and abridge labour, and enable one man to do the work of many.’

“Smith was the first writer who laid much stress on the division of labour. The force and the variety of the examples by which he has illustrated it make the first chapter perhaps the most amusing and the best known in his whole work. But, like most of those who have discovered a new principle, he has in some respects overstated, and in others understated, its effects. His remark, ‘that the invention of all those machines by which labour is so much facilitated and abridged seems to have been originally owing to the division of labour,’ is too general. Many of our most useful implements have been invented by persons neither mechanics by profession, nor themselves employed in the operations which those implements facilitate. Arkwright was, as is well known, a barber; the inventor of the power-

loom is a clergyman. Perhaps it would be a nearer approach to truth if we were to say that the division of labour has been occasioned [aided] by the use of implements. In a rude state of society, every man possesses, and every man can manage, every sort of instrument. In an advanced state, when expensive machinery and an almost infinite variety of tools have superseded the few and simple implements of savage life, those only can profitably employ themselves in any branch of manufacture who can obtain the aid of the machinery, and have been trained to use the tools, by which its processes are facilitated; and the division of labour is the necessary consequence. But, in fact, the use of tools and the division of labour so act and react on one another, that their effects can seldom be separated in practice. Every great mechanical invention is followed by an increased division of labour, and every increased division of labour produces new inventions in mechanism.

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*Alterius sic  
Altera poscit opem res et conjurat amice.*

“The increased dexterity of the workman, and the saving of the time which would be lost in passing from one sort of work to another, deserve the attention which they have received from Adam Smith. Both are consequences, and the first is a very important consequence of the division of labour. But he has passed by, or at least has not formally stated, other advantages derived from that principle which appear to be far more important.

“One of the principal of these advantages arises from the circumstance that the same exertions which are necessary to produce a single given result, are often sufficient to produce many hundred or many thousand similar results. The post-office supplies a familiar illustration. The same exertions which are necessary to send a single letter from Falmouth to New York are sufficient to forward fifty, and nearly the same exertions will forward ten thousand. If every man were to effect the transmission of his own correspondence, the whole life of an eminent merchant might be passed in travelling, without his being able to deliver all the letters which the post-office forwards for him in a single evening. The labour of a few individuals, devoted exclusively to the forwarding of letters, produces results which all the exertions of all the inhabitants of Europe could not effect, each person acting independently.

“The utility of government depends on this principle. In the rudest state of society each man relies principally on himself for the

museums, and galleries, for themselves. To an immense portion of the people of England, no advantage can arise out of the existence of such institutions, except as reflected from those who have the means of availing themselves thereof. It is impossible to diffuse information among one portion of a community, without in some measure benefiting the whole; but the same amount left in the pockets of the producers, to be by them applied directly to the promotion of the education of their own children, would produce more general advantage than can result from applying it to those objects by which but few can be immediately benefited.

In the UNITED STATES, the education of the whole body of the people has always been deemed a matter of the highest importance. To the people of New England, is due the honour of originating the system,\* the admirable effect of which is shown by the following return of the schools of Massachusetts, compiled for the Legislature, by the Secretary of the Commonwealth.

Number of school districts from which returns have been received,	- - - - -	2,517
Number of children between 4 and 16 years of age,	-	166,912
Number of male children attending school, from 4 to 16 years of age,	- - - - -	75,552
Number of female children attending school, from 4 to 16 years of age,	- - - - -	70,987
Number of male instructors,	- - - - -	2,154
Number of female instructors,	- - - - -	2,816
Average number of scholars attending academies and private schools,	- - - - -	28,752
Whole amount raised by tax for support of common schools, (including the preceding item,)	- - - - -	\$ 391,993
Amount raised by voluntary contributions, to support common schools,	- - - - -	47,593
Estimated amount paid for tuition in private schools and academies,	- - - - -	326,642
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Whole amount raised during the year, in 289 towns and cities, for support of common schools, and tuition in private schools and academies,	- - - - -	\$ 766,229

There are sixteen towns from which no returns have been received; and ten from which the returns were not received

\* "The civilization of New England has been like a beacon lit upon a hill, which, after it has diffused its warmth around, tinges the distant horizon with its glow."—*De Tocqueville, Vol. I. p. 24.*

within the time prescribed by the law, and which of course can receive no portion of the income of the school fund.\*

In Boston, the average number of children attending common schools is 8,847; average attendance on private schools, 4,000; number of instructors of common schools, 144; amount raised by tax for support of common schools, \$88,000; amount (estimated), paid for tuition in private schools, \$100,000.†

In the State of New York, with a population of 2,174,517, there were at the close of 1834, 10,132 school districts, of which 9,676 made returns. In those districts, there were of children between the ages of five and fifteen or sixteen, 543,085, of whom 541,401 received instruction. In the enumeration of children between five and sixteen years of age, the city of New York was *not* included, and the number attending the public schools of that city, which *were* included, was 14,721. Deducting these from the number instructed, there would remain about 16,000 not receiving instruction at the common schools, and who are educated in the private institutions for education with which that State abounds. It is supposed, that the number of persons receiving tuition is equal to the whole number of children between the ages of five and sixteen in the State.‡

In the city of New York, with a population in 1835 of 270,000, the public schools are under a system of admirable management, securing to all who attend them the means of obtaining a good common education.

The average number of scholars attending, between the ages of four and sixteen, for the years 1834-5,	
was	17,318
The average number of scholars under four years of age,	618
The average number of scholars above sixteen,	765
In addition to which there were at the Greer-vich Orphan Asylum, and other free schools,	659
	<hr/> 19,360§

\* The school fund above referred to arises out of the sales of public lands, one half of which are pledged to that fund. The amount derived from that source, in 1836, was \$24,513.

† "In New England, every citizen receives the elementary notions of human knowledge; he is moreover taught the doctrines and the evidences of his religion, the history of his country, and the leading features of its constitution. In the States of Connecticut and Massachusetts, it is extremely rare to find a man imperfectly acquainted with all these things, and a person wholly ignorant of them is a sort of phenomenon."—*De Tocqueville, Vol. II. p. 250.*

‡ Williams's New York Annual Register, 1836.

§ Ibid. p. 273.

own affairs, the science becomes divested of its difficulties. Government requires greater talent in England than in the United States—in France than in England—because in France those who administer it are obliged, or think themselves so, to superintend a multiplicity of affairs, that in England and the United States, are managed by individuals for themselves.] In despotisms, the principal evils arise partly from the ignorance, and partly from the bad passions of the rulers. In representative governments, they arise principally from their unskilfulness. It is to be hoped that a further application of the division of labour, the principle upon which all government is founded, by providing an appropriate education for those who are to direct the affairs of the state, may protect us as effectually against suffering under ignorance or inexperience in our governors, as we are now protected against their injustice. [A more simple mode would be to reduce the powers of government. If it were to confine itself to maintaining order, permitting every man to manage his own business, a very small degree of ability would be required, and a man of tolerably good common sense might make a better governor than another of distinguished ability who might desire to exercise his talents by interfering in business over which government should have no control.]

“Another important consequence of the division of labour, and one which Adam Smith, though he has alluded to it, has not prominently stated, is the power possessed by every nation of availing itself, to a certain extent, of the natural and acquired advantages of every other portion of the commercial world. Colonel Torrens is the first writer who has expressly connected foreign trade with the division of labour, by designating international commerce as ‘the territorial division of labour.’

“Nature seems to have intended that mutual dependence should unite all the inhabitants of the earth into one commercial family. For this purpose she has indefinitely diversified her own products in every climate and in almost every extensive district. For this purpose, also, she seems to have varied so extensively the wants and the productive powers of the different races of men. The superiority of modern over ancient wealth depends in a great measure on the greater use we make of these varieties. We annually import into this country about thirty million pounds of tea. The whole expense of purchasing and importing this quantity does not exceed £2,250,000, or about 1s. 6d. a pound, a sum equal to the value of the labour of only forty-five thousand men, supposing their annual wages to amount to £50 a year. With our agricultural skill, and our coal mines,

and at the expense of above 40*s.* a pound instead of 1*s.* 6*d.*, that is, at the cost of the labour of about one million two hundred thousand men instead of forty-five thousand, we might produce our own tea, and enjoy the pride of being independent of China. But one million two hundred thousand is about the number of all the men engaged in agricultural labour throughout England. A single trade, and that not an extensive one, supplies as much tea, and that probably of a better sort, as could be obtained, if it were possible to devote every farm and every garden to its domestic production.

“The greater part of the advantage of rather importing than growing and manufacturing tea arises, without doubt, from the difference between the climates of China and England. But a great part also arises from the different price of labour in the two countries. Not only the cultivation of the tea plant, but the preparation of its leaves, requires much time and attention. The money wages of labour are so low in China, that these processes add little to the money cost of the tea. In England the expense would be intolerable. When a nation, in which the powers of production, and consequently the wages of labour, are high, employs its own members in performing duties that could be as effectually performed by the less valuable labour of less civilized nations, it is guilty of the same folly as a farmer who should plough with a race-horse. [The real advantage which China possesses for the production of tea is *climate*, and nothing else. Were that of England adapted to its growth, machinery would simplify all those processes, and the labourer would compete as successfully with the native of China in the production of tea as he now does in that of cotton goods. Low wages are only a proof that labour, being unassisted by capital, is unproductive, or of inferior quality.]

“Another important consequence of the division of labour is the existence of retailers: A class who, without being themselves employed in the direct production of raw or manufactured commodities, are, in fact, the persons who supply them to their ultimate purchasers, and that at the times and in the portions which the convenience of those purchasers requires. When we look at a map of London and its suburbs, and consider that that province covered with houses contains more than a tenth of the inhabitants of England, and consumes perhaps one fifth in value of all that is consumed in England, and obtains what it consumes, not from its own resources, but from the whole civilized world, it seems marvellous that the daily supply of such multitudes should be apportioned with any thing like accuracy to their daily wants. It is effected principally by means of the retailers.

advantage of readily obtaining a classical education. The *quality* of the education that is to be obtained is nearly in the ratio of the density of population, and thus we find in the older States of Massachusetts and Connecticut the colleges of Harvard and Yale, to which resort students from every part of the Union, desirous of obtaining the best education that the country affords, while a large portion of the others are attended only by the youth of the State, or district, in which they are located.

The provision for medical and theological education is, in like manner, large and constantly increasing. There are, in the various sections of the Union, twenty-six medical schools, with about 2600 students, and thirty-five theological institutions, with about 1000 students.\*

It has never been deemed the duty of the Federal government to do more in relation to education, than to set apart a certain portion of the lands in the new States, the proceeds of which were to be appropriated by the people themselves in aid of their own efforts in the cause of education. We find, therefore, no British museum, no *Bibliothèque du Roi*, with their treasures of information, for the benefit of a comparatively small portion of the people; but in lieu thereof there arise in every quarter of the Union, libraries and lyceums for the benefit of the mass of the people. Of the former, there are many containing from ten to forty-five thousand volumes. There are also libraries for apprentices and for merchants' clerks, containing eight to ten thousand volumes each, by which the benefits of reading are disseminated through the whole mass of society.† In the State of New York, every school district is authorized to vote a tax for the formation of a school library, with a view to place within reach of the students a collection of good works on subjects calculated to enlarge their understandings and store their minds with useful knowledge.

\* American Almanack, p. 171.

† The British Museum has enjoyed the privilege of taxing all authors for a copy of their works, since the year 1757, a period of eighty-one years,† yet it possesses only 240,000 volumes. Philadelphia has libraries, raised by private contributions, containing nearly 120,000 volumes, being as many as there were inhabitants twenty years since. The centralization that is manifested in the colleges of England is found equally in her collections, and in France we find it still more. The *Bibliothèque du Roi* contains 780,000 volumes, while the mass of the nation can neither read nor write. *Throughout Europe the size of the public libraries is nearly in the ratio of the ignorance of the population. Paris has the largest.*

‡ Until within the last few years, the annual average amount of money expended in books for the British Museum, did not exceed £200. Within five or six years it has been about £1000.—*Metropolitan, December, 1837.*

Here we see the people providing for themselves the means of education, and placing those means within reach of all who require instruction. In Europe, we find a general system of centralization, whereas in the United States a tendency to diffusion is every where to be remarked.

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Experience in the United States confirms most fully the view which we have before suggested, that as population becomes more dense, and as cultivation is extended over the inferior soils, the facilities of obtaining education are in a constant course of increase, and that with that increase of facility there is an equally constant increase of desire therefor. Such we find to be the case in England and in France, in both of which education is constantly improving with the increased density of population, and we may therefore assume it as a *law*. We should, consequently, find, in going from Massachusetts to England, a change corresponding with that which we find in going from Ohio to Massachusetts. If New York, with forty-two to a square mile, occupy a higher stand than Pennsylvania with thirty, or Ohio with twenty-one, and if Massachusetts with eighty to a mile be equally above New York, then France with one hundred and sixty should afford to the whole body of the people a higher degree of information than Massachusetts, and England with two hundred and fifty should do still more, yet we find that such is not the case. The capital that should have been appropriated to the general improvement of the condition of the people of England, has been wasted in the support of extensive armies and navies, and the carrying on of ruinous wars, and the people have been unable to do for themselves what has been done by the people of the United States. Still more has it been the case with the people of France, and yet more so with those of India, and hence the extraordinary difference in the state of instruction.

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#### RELIGIOUS INSTRUCTION.

In FRANCE, the government has assumed the payment of the expenses of religious instruction. The average amount appropriated thereto, from 1822 to 1832, was 31,487,824 francs, or \$5,903,967.\* Of this sum, the appropriation for the support of the Protestant worship was 648,749 francs, and for that of the Jewish worship 63,844 francs, leaving more than thirty millions

\* Documens Statistiques.



and for a considerable time, or, in other words, a considerable exertion of abstinence. The produce of independent labour belongs by nature to its producer. But where there has been a considerable division of labour, the product has no *one* natural owner. If we were to attempt to reckon up the number of persons engaged in producing a single neckcloth, or a single piece of lace, we should find the number amount to many thousands: in fact, to many tens of thousands. It is obviously impossible that all these persons, even if they could ascertain their respective rights as producers, should act as owners of the neckcloth or the lace, and sell it for their common benefit.

"This difficulty is got over by distinguishing those who assist in production by advancing capital, from those who contribute only labour—a distinction often marked by the terms master and workman; and by arranging into separate groups the different capitalists and workmen engaged in distinct processes, and letting each capitalist, as he passes on the commodity, receive from his immediate successor the price both of his own abstinence and of his workmen's labour.

"It may be interesting to trace this process in the history of a coloured neckcloth or a piece of lace. The cotton of which it is formed may be supposed to have been grown by some Tennessee or Louisiana planter. For this purpose he must have employed labourers in preparing the soil and planting and attending to the shrub for more than a year before its pod ripened. When the pod became ripe, considerable labour, assisted by ingenious machinery, was necessary to extricate the seeds from the wool. The fleece thus cleaned was carried down the Mississippi to New Orleans, and there sold to a cotton factor. The price at which it was sold must have been sufficient, in the first place, to repay to the planter the wages which had been paid by him to all those employed in its production and carriage; and, secondly, to pay him a profit proportioned to the time which had elapsed between the payment of those wages and the sale of the cotton; or, in other words, to remunerate him for his abstinence in having so long deprived himself of the use of his money, or of the pleasure which he might have received from the labour of his work-people, if, instead of cultivating cotton, he had employed them in contributing to his own immediate enjoyment. [The share of the planter is made up of wages for his own time and attention, and his proportion of the extra production caused by the aid received from the use of his capital.] The New Orleans factor, after keeping it perhaps five or six months, sold it to a Liverpool merchant. Scarcely any labour could have been expended on it at New Orleans, and, in the absence of accidental circumstances,

its price was increased only by the profit of the cotton factor. [His proportion of the product of the labour of those who were in the meantime enabled to apply their own capital in some other mode in aid of their exertions.] A profit which was the remuneration of his abstinence in delaying, for five or six months, the gratification which he might have obtained by the expenditure on himself of the price paid by him to the planter. The Liverpool merchant brought it to England and sold it to a Manchester spinner. He must have sold it at a price which would repay, in the first place, the price at which it was bought from the factor at New Orleans; in the second place, the freight from thence to Liverpool; (which freight includes a portion of the wages of the seamen, and of the wages of those who built the vessel, of the profits of those who advanced those wages before the vessel was completed, of the wages and profits of those who imported the materials of which that vessel was built, and, in fact, of a chain of wages and profits extending to the earliest dawn of civilization;) and, thirdly, the merchant's profit for the time that these payments were made before his sale to the manufacturer was completed.

"The spinner subjected it to the action of his work-people and machinery, until he reduced part of it into the thread applicable to weaving muslin, and part into the still finer thread that can be formed into lace.

"The thread thus produced he sold to the weaver and to the lacemaker; at a price repaying, in addition to the price that was paid to the merchant, first, the wages of the work-people immediately engaged in the manufacture; secondly, the wages and profits of all those who supplied, by the labour of previous years, the buildings and machinery; and, thirdly, the profit of the master spinner. It would be tedious to trace the transmission of the thread from the weaver to the bleacher, from the bleacher to the printer, from the printer to the wholesale warehouseman, from him to the retailer, and thence to the ultimate purchaser; or even its shorter progress from the lacemaker to the embroiderer, and thence to the ultimate purchaser. At every step a fresh capitalist repays all the previous advances, subjects the article, if unfinished, to further processes, advances the wages of those engaged in its further manufacture and transport, and is ultimately repaid by the capitalist next in order all his own advances, and a profit proportioned to the time during which he has abstained from the unproductive enjoyment of the capital thus employed.

"It will be observed, that we have not mentioned the taxation that must have been incurred throughout the whole process which we

great truth, that "the growth of population has been so rapid as to outrun the means possessed by the establishment of meeting its spiritual wants; and the result has been that a vast proportion of the people are left destitute of the opportunities of public worship and Christian instruction, even when every allowance is made for the exertions of those religious bodies which are not in connexion with the established church."\*

The dissenters from the established church, whose numbers are estimated at about three millions, appear to be much better provided with means of instruction, although compelled to contribute to the support of the Episcopal worship, as well as maintain their own. The number of their congregations is about eight thousand, and they are most numerous in those portions of the kingdom in which the churches of the establishment are least so, which accounts in some measure for the great difference which we have noticed. Thus, in the counties of Lancashire and Middlesex, they have 887 congregations, while in that of Hereford, they have only 65.†

The whole number of places of worship in London is stated at about 550, or about one to every 3,000 of the population.‡ In Liverpool, with a population of nearly 250,000, the following is the number:

Established Church,	-	-	-	-	-	-	-	-	28
Roman Catholics,	-	-	-	-	-	-	-	-	5
Scotch Establishment,	-	-	-	-	-	-	-	-	2
Scotch Seceders,	-	-	-	-	-	-	-	-	2
Wesleyan Methodists,	-	-	-	-	-	-	-	-	7
Independents,	-	-	-	-	-	-	-	-	4
Anabaptists,	-	-	-	-	-	-	-	-	5
Welsh Calvinists,	-	-	-	-	-	-	-	-	3
Unitarians,	-	-	-	-	-	-	-	-	2
Sandemanians,	-	-	-	-	-	-	-	-	1
Quakers,	-	-	-	-	-	-	-	-	1
Swedenborgians,	-	-	-	-	-	-	-	-	1
Jews,	-	-	-	-	-	-	-	-	1

Total, 62§

or one to every four thousand of the population.

\* Quoted by M'Culloch, *Statistics*, Vol. II. p. 412.

† M'Culloch, *Statistics*, Vol. II. p. 415.

‡ In the *Penny Magazine*, (October, 1837,) the number is stated at 500, capable of accommodating 600,000 persons.

§ *Encyclopædia Britannica*, Vol. XIII. p. 395.

The number of churches or congregations in the United States, exclusive of the Methodists, is stated at nearly 19,000,\* and including that denomination, must exceed 20,000. The number of clergymen is given in the same table at above 16,000. Of the Society of Friends, who employ none, there are about five hundred congregations, and if we take one member of each as preacher, we shall have a total of about 16,500 ministers, exceeding one to every thousand of the population.

In Massachusetts, with a population of about 670,000, there were, in 1836, nearly nine hundred ministers, or about one for every eight hundred persons.† In regard to the accommodations for public worship, we believe it may be safely asserted, that in no part of the world are they more complete than in that State, and, perhaps, that in none are they equally so.

In New York, in 1836, with a population of about 2,250,000, there were 2,338 clergymen,‡ or rather more than one to every one thousand persons.§ In that State the provision for public worship is great, but it is not so complete as in Massachusetts. As we pass thence to the south and west, we find a gradual decrease in the proportion of ministers, and of places of worship.

In the cities of the Union, the provision therefor is large. New York, with a population of 300,000, had, in 1837, 146 churches.|| Philadelphia, with a population of 200,000, had about 100; and in the city of Cincinnati, Ohio, with a population, in 1837, of 30,000, there were 39 places of worship.¶

Pittsburgh, in 1834, with a population of above 30,000, contained 30 churches, capable of seating 22,568, erected at a cost of \$203,225. The average attendance was 13,080, and the number of communicants 7,095.\*\*

\* American Almanack, 1838, p. 172.

† Ibid. 1836, p. 199.

‡ New York Annual Register, 1836.

§ In 1819, with a population of 1,300,000, there were only 761 clergymen, or one for every 1700 persons. The change shows a rapid increase in the proportion of teachers, as population becomes more dense.

Presbyterians,	38	Roman Catholics,	6	Independents,	2
Episcopalians,	28	Friends,	4	Jews,	3
Methodists,	20	Lutherans,	2	Moravians,	1
Baptists,	20	Universalists,	3	Miscellaneous,	4
Reformed Dutch,	13	Unitarians,	2		
					Total, 146

¶ Episcopal,	2	German Lutheran,	3	Christians,	1
Swedenborgian,	2	Jews,	1	Quakers,	2
Methodist,	10	Roman Catholic,	2	Unitarian,	1
Baptist,	3	Presbyterian,	8		
Universalist,	1	Covenanters,	3		
					Total, 39

\*\* Drs. Halsey and Campbell to Drs. Reed and Matheson. Visit to the American Churches, Vol. II. p. 318.

ment he had chosen. The whole would be styled "*profits of trade.*"

If a man occupied a house in which he could employ a capital of fifty thousand dollars, yielding him six thousand dollars, interest being six per cent., he would have three thousand dollars for the profit of capital, and an equal sum for the payment of rent and for his wages. If the former were five hundred dollars, his wages would be two thousand five hundred dollars. If, in an adjoining street there were a house in which he could use one hundred thousand dollars as advantageously, he would rent it provided it could be obtained at such rate as would give him an amount of wages that would pay him for the greater amount of time required, and for the increased risk to be incurred, but not otherwise. Interest, at six per cent., upon the capital to be used, would amount to six thousand dollars, leaving six thousand dollars for rent and wages. If the house could be had at fifteen hundred or two thousand dollars, leaving him four thousand or four thousand five hundred dollars, to compensate him for the devotion of his time and attention, he would probably transfer himself and his business to it.

Before doing so, he would ascertain that he could have the proper amount of capital at six per cent. If, on inquiry, he found that the rate of interest had risen to seven per cent., he would see that the increased rent and interest would absorb nearly all the additional return, and that his profits of trade would yield him little more wages than before. He would be obliged to insure to the possessor of the house a certain interest upon its value, and to the owner of other capital a certain interest upon the sum that he required to use, and unless he could do so and retain a sufficient compensation for the application of his time and talents, it would be better for him to try some other pursuit. The great mass of the people in trade are in this situation. They use the capital of others in various forms, paying rent for some of it, and interest upon other portions. They insure to the owners a certain profit, and their own reward, or *wages*, is contingent upon the result, and may be ruin, or a large fortune. Their clerks give up the *chance of large wages*, for a *small, but certain*, compensation for their labour.

Another person sees an opportunity of using one hundred

butions for the maintenance of religion are voluntary, and no man is disposed to pay for that he does not want.\* In France, a supply of both might be maintained with a view to strengthen the government, precisely as an army is kept on foot, while the people might not be disposed to avail themselves of the opportunity to obtain instruction. In a similar manner in England, the support of the established church being compulsory, the requisite number of clergy and of churches might be obtained, while they ceased to be frequented, but such could not be the case in the United States.†

The statements above given in regard to the latter, fully confirm the position assumed that as, with the cultivation of inferior soils population becomes more dense and man is enabled to associate more intimately with his fellow man, he is enabled to make better provision for his education. They prove, also, that

\* "The empire of religion is never more surely established than when it reigns in the hearts of men, unsupported by aught beside its own native strength."—*De Tocqueville, Vol. I. p. 45.*

† Messrs. Reed and Matheson thus compare the provision for religious education in England and the United States:

	Liverpool.	Nottingham.	New York.	Boston.	Cincinnati.
Population, - -	210,000	50,000	220,000	60,000	30,000
Ministers, - -	57	23	142	57	22
Churches, - -	57	23	132	55	21
Communicants,	18,000	4,864	31,337		8,555

They deem the general supply of the whole country, in comparison with any other country, astonishingly great, being,

Population, - - - - -	13,000,000
Ministers, - - - - -	11,450†
Churches, - - - - -	12,580†
Communicants, - - - - -	1,550,800

In England, they are of opinion that there is not church accommodation for more than one fifth of the people, and that the number of communicants cannot exceed 1,050,000.—(*Page 106.*) Of the American churches they say,

"It has been said that they are smaller than ours; and that therefore the number of churches does not supply a comparative scale for the attendance. I have looked with some care at this statement; and so far as my best observations will carry me, I am prepared to say, that the average of size and accommodation is larger with them than with us."—*Vol. II. p. 92.*

"In the United States, there are many splendid temples for religious worship, not on a scale of magnificence to equal the St. Peter's at Rome, or the St. Paul's of London, nor the ancient abbeys or minsters of this country, yet, generally speaking, on a par with many, or most, of the modern religious edifices throughout the kingdom."—*Loudon's Architectural Magazine, November, 1837.*

† These quantities are smaller than those given at page 203. The former relate to 1837, those of Messrs. Reed and Matheson to 1834, or, possibly, in some cases, earlier.

as his means of providing therefor increase, he becomes more sensible of his duties, and more disposed to contribute towards the maintenance of institutions for the dissemination of a knowledge thereof.

Such being the case, we should find in France a greater disposition so to do, and still more in England, yet such is not the case. We find in those parts of England where the population has increased rapidly within the last century, and where, of course, the present generation has been required to display its attachment to religion and its disposition to contribute towards its support, when compared with the State of New York, which has increased with far greater rapidity, and in which the major part of the provision has been made by the present generation, a great deficiency of clergymen and of places of worship. If we compare Liverpool, which has grown in twenty-five years from 100,000 to 250,000, we find church accommodation far less complete than in New York, which in sixteen years has grown from 123,000 to 300,000; than in Philadelphia, which has grown from 95,000 to 200,000; or than in Cincinnati, a new town of a new State that was but recently a wilderness, and the major part of the inhabitants of which went there entirely without capital; and even less complete than in most of the villages of the United States.\*

Thus we find the same difference that we pointed out in regard to education generally, and that in those countries in which the provision should be most complete it is least so. The cause must be found in the vast extent of unproductive expenditure, by which the people are prevented from accumulating capital, and from improving their condition, physically and morally. Had the expenditure of France and of England been on the same scale as that of the United States, a part of the labour unproductively employed in manufacturing and in carrying arms, and in the production and consumption of gunpowder, would have been applied to the production of institutions for the purpose of giving instruction in morals, and another part would have remained in the possession of the labourers, by which they would have been enabled to pay liberally for the best instruction; whereas, in both cases the government has been obliged to aid in the building of churches, with a view to afford gratuitous instruction to those who

\* "There is no village in the United States without its church, no denomination of Christians in any city without its house of prayer, no congregation in any of the new settlements without the spiritual consolation of a pastor."—Grund. *The Americans*, p. 47.

*would otherwise have had the ability to pay for it, and would consequently have set a higher value thereupon.*

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## HABIT OF INDUSTRY.

In estimating the quality of labour, one of the most important points for consideration is *the habit of regular industry*. This habit does not exist with the wild natives of the American forests. It exists to a certain extent in Missouri and Arkansas. Still more is it found in Ohio, Pennsylvania, and New York, but it is found in the greatest perfection in the State of Massachusetts.

In tracing the history of man in France and England, we find that there has been a steady improvement in this respect, and that industry has increased with the increase of population and of capital. We have already seen that with their increase resort is had to the inferior soils, yielding a constantly increasing return to labour, and we now see that with this constantly increasing facility of obtaining the means of subsistence, there is a constantly increasing disposition to apply the labour requisite therefor. Such being the case as we pass from the Rocky Mountains to Massachusetts, and as we pass from the earliest periods of France and England to the present time, we should find a similar result in passing from Massachusetts to France, England, and India, with their more dense populations.

In order, however, that such should be the case, it is indispensable that the growth of capital be *permitted* to keep pace with that of population, and that the field for the employment of both be likewise *permitted* to expand itself. When such is the case, there is, with the increase of population, a constant decrease in the severity of labour, and the labourer is consequently enabled to apply himself with more steadiness and regularity, while the constant increase in his reward stimulates him to new exertions, certain that he will thereby increase his power of maintaining and improving his condition. In France and England, industry should be more steady and regular than in the United States, and would be so had not capital been wasted in the prosecution of ruinous wars, by which production was diminished—the progress of accumulation retarded, if not arrested—the share of the capitalist increased—that of the labourer diminished—amelioration in the severity of labour retarded—and improvement in habits of industry greatly and most injuriously affected.



Among the HINDOOS the established holidays are said to occupy one half of the year.\* Bishop Heber says that, when an object is held out to them, they are "industrious and persevering." We have, however, the fact, that while a Chinese carpenter, in Calcutta, can earn 2s. sterling per day, the labour of a Hindoo carpenter is worth only 6d.,† which is strong evidence against the idea that Hindoo labour is steadily or regularly employed.

A recent writer‡ says, and with truth, "*La gloire est le Dieu de LA FRANCE*. In pursuit of that *ignis fatuus*, the sovereigns of that country have, at all periods, caused their subjects to employ themselves in carrying muskets instead of using spades and axes, and the consequence has been that, at all periods, the people have been in a state of poverty. When population was scattered, and the superior soils alone were cultivated, mendicity abounded, notwithstanding the most severe measures of repression. In 1532, beggars were ordered to be chained two and two, if found in Paris. In 1535, they were ordered to be hanged. These laws were renewed in 1543 and 1547.§ In 1544, a *bureau des pauvres* was established, with the right of levying a poor tax. Alms were distributed, but the number of mendicants was not diminished.|| In 1656, it was forbidden to give alms under a heavy penalty.¶ New hospitals were built, yet the number of beggars increased to such an extent that *hands could scarcely be procured to perform the necessary labours of agriculture*. In 1662, it was ordered that in all the cities and towns where there was no hospital-general, such an asylum should be built without delay, and *that they should lodge and feed the poor*, mendicants, and invalids, natives of their jurisdiction, or who should have resided a year in it, as also all orphans and children born of mendicant parents.\*\* In 1719, it was proposed to transport beggars to the colonies, all previous measures having failed to reduce their numbers. In 1720, they were employed on the roads, but they soon became objects of terror to travellers; the hospitals refused to receive them, and the mischief was found as serious as ever.†† In 1746, *depots de mendicité* were established, and were looked upon as "an almost certain means of relieving society from the scourge that had so long afflicted it, but experience soon showed that all such hopes were vain.

\* Senior, Lecture on Wages, p. 11.

† See page 129, *ante*.

‡ M. de Beaumont, Marie, t. I. p. 64.

§ Johnson on Public Charity in France, p. 455.

|| Ibid. p. 457.

¶ Ibid. p. 459.

\*\* Ibid. p. 463.

†† Ibid. p. 467.

\* \* \* In many of them the inmates were forced to be idle, for no work was provided for them; in others, they were put to work that bore no relation to their age, their strength, or their habits. There existed among them a total inattention to moral laws, and the consequence was, that many persons left there in a much more wretched condition, in point of correct feeling, than when they entered them.\* They were described as presenting a picture of hell! In 1790, mendicants were ordered to return to their own *communes*, and were to receive an allowance of three sous per league on their travels; the consequence of which was that the roads swarmed with them, wandering from place to place, with fictitious passports, and often committing every species of atrocity.† The revolution, by which those who possessed property were stripped of it for the *supposed*‡ benefit of those who possessed none, was the natural consequence of such a state of things. Had the love of war even then ceased, and the labour of France been diverted from the carrying of arms, a healthful state of things might have arisen, but unfortunately “glory” was still the watch word, and as a natural consequence the empire swarmed with mendicants. In 1808, begging was forbidden, and new *depôts de mendicité*, fifty-nine in number, were ordered to be erected, of which thirty-seven were built at a cost of 300,000 francs (\$56,000) each!§ Still there was no sensible decrease in the number of mendicants.|| The inmates were well fed and had little or no work, and there was no indisposition to reside in them.

France, at the present time, abounds in hospitals. Paris presents us with twenty-one, containing 16,250 beds, of which 14,479 were occupied at the time of the examination of Dr. Johnson.¶ It abounds with those destined to the reception of deserted infants, of whom 125,000 were maintained at the public expense in 1830.\*\* It has in each *commune* a *bureau de bienfaisance*, the

\* Johnson on Public Charity in France, p. 468.

† Ibid. p. 480.

‡ No measure that lessens the security of property can benefit the labourers. In all such cases they must be the heaviest sufferers.

§ Johnson on Public Charity in France, p. 511.

|| Ibid. p. 512.

¶ Ibid. p. 166.

\* “In 1809, the number of foundlings in France was 69,000. Since the measure of 1811,” (ordering a foundling hospital to be established in each *arrondissement*), “it has advanced to 84,500, in 1815; to 102,100, in 1820; to 119,900, in 1825; to 125,000, in 1830; and during the last four years, it has advanced with a still more remarkable acceleration.” (In 1833, it had risen to 129,629.) “At Paris, the proportion of foundlings to births was as one to ten; it is now little less than one to four. \* \* \* The expense has advanced in a parallel proportion to the numbers. It amounts at present to 11,500,000 francs per annum; the Paris institution alone, costing, last year, 1,731,239 francs.”

funds for which are derived from charitable contributions, from public property, and from a tax upon the necessities of life consumed in the towns in which they are established. In the *Département du Nord*, with a population of 962,617, the amount expended by these various institutions is as follows :

<i>Bureaux de Bienfaisance</i> ,	-	-	-	754,857 francs.
<i>Subsides Municipaux</i> ,	-	-	-	220,985 "
<i>Hospices</i> ,	-	-	-	1,780,831 "
<i>Enfans Trouvés</i> ,	-	-	-	249,000 "

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3,005,673

or nearly six hundred thousand dollars !

In that department the indigent amount to 163,453, or more than one sixth of the population, independently of 800 sick, 2,529 old people, 1,332 orphans, and 3,000 foundlings, maintained in the hospitals, making a grand total of more than 171,000.\* Of 5,433 conscripts, *independently of those who are below the standard of height,† or have constitutional defects*, which latter class is very numerous, there are annually rejected for infirmities or deformities, 1,457, being one in 3 $\frac{1}{2}$ .‡

Here we have a large provision for the poor, with an immense

\* Villeneuve, t. 2. p. 53.

† Nearly forty per cent. of the whole. See page 43, *ante*.

‡ The causes of rejection are as follows :

Loss of fingers, -	-	51	Brought up, -	-	789
Loss of members, -	-	85	Scald head, -	-	58
Club-footed, -	-	48	Diseases of the skin, -	-	212
Deformities, -	-	368	Scrofula, -	-	122
Diseases of the bones, -	-	92	Hernia, -	-	250
Do. eyes, -	-	145	Epilepsy, -	-	26
Carried up,		789	Total,		1,457 $\frac{1}{2}$

In the *Département des Bouches-du-Rhone*, the proportion rejected is one in twelve, and from the following causes :

Scald-head and lepers, -	-	30	Brought up, -	-	180
Deformities, -	-	65	Deaf and dumb, -	-	20
Hernia, -	-	55	Mal-conformés, -	-	30
Stammering, -	-	30	Epilepsy, -	-	15
			Myopes, -	-	5
Carried up,		180	Total,		250

It is obvious, on a comparison of these returns, that there is a material difference in the mode of making them up. In the first, we find club-feet, diseases of the bones, of the eyes, and of the skin, abound, while in the last no mention is made of them. It is impossible that these causes of rejection should not exist on the Rhone as well as on the Scheldt, and we must therefore suppose, either that the return is inaccurate, or that the officers charged with the inspection of the conscripts act differently in the different parts of the kingdom.

§ Ibid. p. 47.

|| Ibid.

mass of poverty, wretchedness, and disease to be provided for—a mass so great that the present arrangements are deemed insufficient, and there consequently exists a high degree of probability that the system must be extended.

“In most of the communes,” says M. de Villeneuve, “the funds of the *Bureaux de Bienfaisance*, united to the produce of the collections and charitable donations, are always insufficient, above all during the winter. The superior administration is then assailed by the *communes*, and by the *Bureaux de Charité* with demands tending to authorize extraordinary taxes for the support of the poor. In many cities, in 1828 and 1829, there were secretly employed for this object, funds destined for other purposes.\* Imperious necessity was the motive and the excuse for such irregular acts, and the poor tax is thus forcibly introduced, with English pauperism, in this part of France. \* \* \* \* The administration has constantly, particularly during the years 1828 and 1829, opposed the official extension of this system; but in vain does it disguise itself under the name of labours of charity, or of supplementary assistance to the *Bureaux de Bienfaisance*; it exists, and the force of circumstances has established *the right of the poor to public assistance*. Public opinion, in the Department of the North, is prepared from this innovation in French legislation. \* \* \* The abuses of the English poor law system manifest themselves gradually. It is remarked, that in the Department of the North, *the number of paupers is always in accordance with the extent of the charitable institutions, and that they are fewer in number, when the revenues of the Bureaux de Bienfaisance are least.*”†

The paupers are described as consisting of weavers, unable at times to support their families, and wholly chargeable to public or private charity in case of illness, scarcity, or discharge from work; of workmen, ignorant, improvident, brutified by debauchery, or enervated by manufacturing labour, and habitually unable to support their families; of aged persons, prematurely infirm, and abandoned by their children; of children and orphans, a great number of whom labour under incurable disease or deformity; and of numerous families of hereditary paupers and beggars heaped together in loathsome cellars and garrets, and for the most part subject to infirmities, and addicted to brutal vice and depravity.‡

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\* “According to M. de Chateaueux, the population of *the towns* in which a system of relief is thoroughly organized, amounts to 3,500,000 persons, and the cost of the relief annually distributed is £1,800,000 sterling. This would bring the expenditure, per head, to nearly as much as in England.”—*Quarterly Review* No. CIX. p. 24. *American edition*.

† Villeneuve, t. II. p. 62.

‡ Ibid. t. II. p. 54.

In the large towns, and in the departments to which they belong, in every 10,000, are*	-	-	-	1,040 paupers.
In 26 departments, in every 10,000,	-	-	-	600 "
In 50 do. do. do.	-	-	-	490 "
In those departments which have no towns containing above 5,000 inhabitants, there are in every 10,000,†	-	-	-	380 "

Monsieur de Villeneuve estimates that, in towns of above 1500 persons, one tenth are paupers, and in the rest of France, one thirtieth. He estimates the whole number of paupers in France at 1,838,702, *including therein only those in a state of permanent poverty and wretchedness, and dependent upon public charity for support*, and excluding those who are only temporarily deprived of employment.‡

The total expenditure of the hospitals of France, for 1833, was 48,482,000 francs. That of the Bureaux de Bienfaisance, was 8,956,000 francs—making a total of fifty-seven millions.§

If we look to the west, we find in Brittany, an indigent population of 152,683, of whom 46,172 are mendicants.|| In that province there is a large extent of territory yet uncultivated, but the communications are difficult. Capital to a vast extent was destroyed during the wars of the revolution, and has not been replaced. In the cities as well as throughout the country, there is, according to M. Villeneuve, an unfortunate disposition for intemperance. Among the country people are found the most profound ignorance, harsh and rude manners, an obstinate adherence to the old routine, and a determined opposition to all improvement. Here we find the charity of individuals most active; the *Bureaux de Bienfaisance* have but small incomes, but there is a great extent of land over

\* At Lille, with a population of 70,000, are 23,381 poor, of whom 3,687 inhabited cellars, narrow and low, deprived of air and of light, where reigns the most disgusting filth, and where repose on the same pallet the father, the mother, the children, and sometimes the adult brothers and sisters. At Dunkirk, of 24,517 inhabitants, 4,880 are paupers. At Douai, of 19,880, there are 4,394 paupers, and other cities in proportion.—*Ibid.* p. 63. In Havre, (population 28,000,) there are 5,000 who receive occasional relief. Caen, with a population of 40,000, has six or seven thousand paupers. "*Mendicity prevails to a frightful extent, and the farmers feel themselves obliged to give numerous alms, from a fear of injury to their property by incendiarism and acts of plunder.*"—A. Majendie, *Report of Poor Law Commissioners. Appendix F*, p. 43.

† M. Bigot de Morogues. Quoted by Mr. Bulwer, *Monarchy of the Middle Classes*, Vol. II. p. 107.

‡ Villeneuve, t. II. p. 36.

§ *Documens Statistiques*, p. 102.

|| Villeneuve, t. II. p. 21.

which the poor exercise the right of occupation in common, and from which they are able to derive some means of support.\*

If we look to Paris we find the hospitals filled, and *one seventh of the population described as indigent*. Mr. Bulwer, who generally paints France *en couleur de rose*, thus describes some of the workmen of that city:

“Hatters—*drunkards*. Tailors—*vicious and dissatisfied*. Nappers and cotton spinners—*so wretched, that no fault should be found with them*. Cabinet-makers—*fond of drinking, but of quiet tempers*. Printers and analogous trades—*drinkers*. House-painters—*drunkards, very careless*. Marble-cutters—*drinkers, and hot headed*. Workmen in harbours—*exceedingly addicted to drinking*. Curriers—*drunkards in the highest degree*.” Many other trades are described as sober and industrious.†

\* Land is abundant, and the people wander over it endeavouring to obtain by appropriation the means of subsistence. They are in a condition approaching to the savage state, where individual property in land is not recognised; where the inducements to exertion are wanting; and where the means of applying labour productively do not exist. They depend on the *superior soils* exclusively for existence, and are poorer than in any other part of France. Notwithstanding this excess of poverty, the contributions for the maintenance of the poor are exceedingly small. The standard of living is low. All are poor, and the misery of the mendicant fails to excite the feeling that would be produced by it in the north of France, where the standard is higher, or in England, where it is vastly higher.

“The conditions of the poorer farmers, daily labourers, and beggars, are so near akin, that the passage from one state to another is very frequent. Mendicity is not deemed disgraceful in Brittany. Farmers allow their children to beg along the roads. On saints’ days, especially the festivals of celebrated saints, the aged, infirm, and children of poor farmers, and labourers, turn out. Some small hamlets are even totally abandoned by their inhabitants for two or three days. All attend the festival to beg. \* \* The principal cause of misery is inebriety; its frequency among the lower orders keeps them in poverty. The *cabaret*, (wine and brandy shop,) absorbs a greater part of their earnings.”—*Report to the Commissioners on the Poor Laws. Appendix F, p. 724.*

“Frugality in Nantes, with the labouring classes, is the effect of necessity more than virtue. Drunkenness is common, and temperance is almost a stranger to them. In the country it is nearly as bad; nine out of ten of the little farmers who come to this market, Wednesdays and Saturdays, and particularly at the fairs, return home in a state of intoxication. The life led by them when on military duty, from the age of 20 to 28, most certainly demoralizes them. \* \* To prevent the increase and lessen the state of disorder into which the greater part of the labouring class and mechanics of Nantes, has fallen, a number of master tradesmen and proprietors of factories will not employ those men who do not agree to allow a certain sum weekly to be retained from their wages for the use of the wife and family. The example spreads, and will, no doubt, become more general; but this circumstance also shows forth, in strong colours, the immoral state of the working class in France.”—*Report on La Loire Inferieure, by H. Newman, H. B. M. Consul, to the Commissioners on the Poor Laws. Appendix F, p. 177.*

† Monarchy of the Middle Classes, Vol. I. p. 119.

At Lyons, the situation of the *canuts*, or silk weavers, is deplorable.

"The silk weavers form two thirds of the population of Lyons, and their number is not less than one hundred thousand. They are the most miserable people in France; ignorant, stunted and misshapen, lean, constantly diseased, and occupying the most unhealthy places. A body so little advanced in moral and physical cultivation, must be inferior in their morals. When irritated by either true or supposed causes of complaint, or maddened by the poverty which is attached to their existence as a cause of constant demoralization, they become excited to fits of madness, manifesting the discontent of men in a state of debasement."\*

If we look to the south,† we find that,

"In the Landes the peasant lives on rye bread, millet, or maize porridge. He seldom eats meat; sometimes an indifferent salted pilchard is added to his bread; the water with which he quenches his thirst is stagnant and detestable. The people who live near the basin of Arcaillon are better fed and enjoy better health; they eat fish and shell fish, and drink piquette. The pinegrower, small in stature, meagre and poor, often a victim to stoppage and indigestion, receives from the chief pinegrower as much rye bread as he can eat, soup made entirely of water and salt, and three ounces of bacon, per day. He cooks the latter in a fryingpan, and the fat is put into the soup when it is melted. He calls this sorry repast *regit*. His fare appears to him excellent, when he can obtain some salt fish, or a small piece of maize biscuit. He rises at daybreak and breakfasts on his way to the forest, comes back at midday to dinner, and immediately after returns to the pines, and he does not come home till the evening, when he partakes of the *regit*. After which a *plank serves him for a bed*."‡

"The peasant of the Limousin pays nothing, or next to nothing, to the administration of indirect taxes; nothing, or next to nothing, to the customs, the post office, or to the registry, for the melancholy reason that he drinks no wine; that he eats meat very rarely; that he is ignorant of the uses of sugar, tea, coffee, and English stuffs; that he can neither read nor write, and consequently receives no letters; that he does not go to law because he possesses no property, or if he possesses a morsel of land, he neither parts with nor increases it.§

\* Villeneuve, *Economie Politique Chretienne*, t. I. p. 336.

† "The wages of agricultural labourers in the south of France, are barely sufficient for their existence, so long as they preserve their powers and their health; but when they lose their health, become infirm or aged, they fall into distress, and can no longer subsist with their families, except by having recourse to the charity of individuals, or to the refuge of the hospitals."—*Dupin*, t. II. p. 263.

‡ Bowring's Second Report, p. 136. Answers of M. Johannot, Librarian of Bordeaux.

§ Chevalier, t. II. p. 475.

Dr. Franklin said that, in his youth, "he travelled much, and observed in *different countries that the more public provisions were made for the poor, the less they provided for themselves, and of course became poorer; and, on the contrary, the less was done for them, the more they did for themselves, and became richer.*" The correctness of this observation is most fully borne out by the example of France, where we find each generation making new provision for paupers, and each generation more at a loss to account for their existence. In 1833, as we have seen, the number of indigent in that country was estimated by M. Villeneuve at nearly two millions, and the number of beggars, notwithstanding the ample provision of hospitals and bureaux de charité, at two hundred and fifty-two thousand.

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The effect upon morals of the state of things that we have described requires to be taken into consideration. The quality of labour cannot be high when the standard of morals is low. By the establishment of foundling hospitals every facility has been afforded for relieving the immoral from the burthen that is usually the product of illicit intercourse, and the consequence is that one third of all the children born in Paris, and one thirteenth of those born in the kingdom, are bastards.\*

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The necessity for raising a large revenue to be applied to the support of armies, has at all times tended to give to the labour of France a direction hostile to habits of regular application. Before the revolution each province had its own system of taxation, and each had its custom houses. The trade between the different parts of the kingdom was like that between different nations, and the consequence was that an important portion of the population was employed in smuggling salt and other commodities from one province to another, and another considerable proportion in endeavouring to prevent it. At the present time, the restrictions upon exchanges with foreign countries, as well as the *octroi* at the entrance of all the principal towns, tend to maintain the same habits, and to produce a gambling and reckless spirit, opposed to regular industry, and to the maintenance of security of person and of property. On the frontiers of Switzerland, of Germany, of Belgium, of Spain, and on the shores of the Channel, the number of persons employed in this pursuit is exceedingly

\* "In the capital the number of illegitimate children surpasses one half of the legitimate; so, then, in seeing three little Parisians, we should see a bastard in the middle of them."—*Dupin, t. I. p. 40.*



great, and the system is carried to an extent that is declared by the director of the customs to be "truly frightful."\* It is performed by men who are armed, and the consequences that frequently result from their encounters with the douaniers are of the most shocking kind.† Dogs are also employed. A bounty of three francs per head is offered for their destruction, and on an average of several years the payments therefor were 1500 francs per annum, yet the system was not arrested. If the habits produced among those employed in smuggling are bad, not less so are those produced among the persons employed in its prevention, and whose number is immensely great.

Both are unproductively employed; both are fitting themselves to join the wandering bands of paupers, by which the security of property is lessened; in all is generated that antipathy for authority that prevails so generally throughout France,‡ and which has manifested itself so frequently; in the incendiary fires of Normandy; in the destruction of machinery; in the riots and rebellions of Lyons; in the *emeutes* of Paris; and in the various revolutions of the last half century, requiring those who possess authority to keep on foot armies, embracing hundreds of thousands of men, *to protect the people, not against foreign foes, but from each other.*

Such is the condition in which France has been kept by her thirst after *glory*. Her people are employed in carrying arms; the *élite* of her young men, to the extent of 70,000 per annum, are required for the supply of her armies; their best years are wasted in an employment that affords them none of the instruction that is required for success in after life; they return to their families with the habits acquired in the *caserne*, and wanting those of steady and regular application. Production is consequently small; the share of the labourer is small; his condition is wretched; his children are afflicted with the diseases that are in all cases attendant on poverty; they are unable to aid him in supporting themselves, and the consequence is that, according to M. Dupin, there are twenty millions who are "wholly deprived of the nourishment of animal food, and live wholly on corn, maize, and potatoes; that seven and a half millions of Frenchmen *eat little or no bread*; and

\* Quoted by Bowring, First Report, p. 48.

† "Armed to the teeth they never hesitate at shooting the douaniers when they think that the urgency of the occasion requires it."—Murray, *Summer in the Pyrenees*, Vol. I. p. 227.

‡ "Our unquiet antipathy for all moral law, for all authority."—Chevalier, *t. I.* p. 296.

that barley, rye, *flummery*, made of buckwheat, chestnuts, pulse, a moderate quantity of potatoes, and water, are the only subsistence of that part of the population which has no fuel but stubble and furze.\* Under such circumstances it is not extraordinary that men desire to throw off the burthen of life, and that suicides abound.†

It is obvious from the statements we have given, that the *proportion* of the population capable of performing full work is small, and

\* These seven millions and a half are estimated to have a daily income of 25 centimes, (4½ cents,) giving them 91.84 francs, (\$ 17 13,) per annum. If we allow only one cent per day, for clothing, and a similar sum for their wretched shelter, it will leave 2½ cents for food.

Another seven and a half millions are estimated to have an annual income of 33 centimes, (6 cents,) per day. A third to have 41 centimes, (7½ cents,) per day. Here are 22½ millions of people with an average income of 6 cents per day, in a country in which food is higher than in the United States!

† "Passing the autumn of 1834 in the country, we happened to be struck with the number of suicides and other tragical events which were reported in one or two of the French journals which reached us—the *Gazette de France* and the *Tribune*. At first we only wondered,—at last they became so frequent and so atrocious that we began to cut out the paragraphs,—we unluckily did not keep the exact dates of all our extracts, but we have the dates of SIXTY-FIVE suicides in the month of October alone. We subjoin some particulars, and first some extracts from the Paris and provincial papers, to show the universality of the evil:—

"Paris.—The mania of suicide has reached all classes of society."

"St. Omer (north of France).—The mania of suicide continues to make daily progress."

"Lyons (east).—We have to report another suicide—a scourge which now invades all classes."

"Elbeuf (west).—Another suicide to add to the number reported every day."

"Auck (south).—The fearful disease of suicide continues to ravage the whole of France."

"Orleans (centre).—We have to report another suicide—a frenzy which invades all classes of society."

"We shall now state the number of suicides reported in one week, of which we happen to have kept notes:

October 22.—Five suicides.

" 23.—Four suicides.

" 24.—One suicide.

" 25.—Two suicides.

October 26.—Three suicides.

" 27.—Two suicides.

" 28.—Six suicides.

and this in two papers alone. In the whole month we find in our note-book, as we have said, of exactly dated cases, above SIXTY. Between the end of September and the beginning of December, we have no less than ONE HUNDRED AND TEN."—*Quarterly Review*, No. CXI. p. 59. *American edition*.

"The suicides of London, within the bills of mortality, in the year ending December 15, 1835, were 41 in number. The population was about 1,300,000."—*London Medical Gazette*, Vol. XVII. p. 1040.

"Those of Philadelphia, in the twenty years from 1807 to 1826, were 102 in number, being an average of little more than five."—*American Medical Journal*, Vol. I. p. 140.

that those who are able to work are *frequently unemployed*. Here we find a state of things resembling, in some degree, that described as existing in England in former times, and were we to assume the amount of annual wages from those paid by the day, or for short periods of time, we should err in the same manner as has been done by Mr. Malthus and other writers.\* In order to the steady employment of any population, it is indispensable that capital should be abundant, which cannot be the case in a country in which love of glory predominates. When capital is scarce there is occasionally, as at harvest time, a great demand for labour, followed by periods in which the labourer has no resource but hospitals, poor houses, or mendicity.

With the gradual extension of cultivation in ENGLAND, and consequent improvement in the standard of living, there arose improved modes of thinking in regard to the situation of the labouring classes. Under Edward III., laws were passed imposing the severest punishment upon those who refused to labour at the wages fixed by law, and labourers were prohibited from seeking employment elsewhere, so long as it could be had at those rates in their own counties. The natural consequence of these restrictions for the *supposed* benefit of the employers, was a great amount of poverty and wretchedness among the labourers. Under Henry VIII. the latter endeavoured to obtain the means of subsistence by plunder, and to remedy the evil thus generated, 72,000 were hanged, but the disorders continued. Violent measures having failed, resort was had to others of a different character, and the poor law of Elizabeth was established, giving a legal right to maintenance out of contributions to be imposed for the purpose. Here we find one law to compel the labourer to work at wages fixed by the landholder, and another to compel the latter to contribute to the maintenance of those who were thus rendered unable to support themselves and to accumulate the means of support in advanced age. The effect of this system was gradually to undermine the feeling of independence; but it was reserved for our time to see it carried to its full extent, and almost totally to destroy that feeling among the agricultural population.† A great public charity was

\* See Vol. I. p. 58.

† "The system of public charities, however honourable to the humanity of a nation, requires the wisest legislative principles not to conspire with the poor laws to be destructive of its morals. Nothing so nurtures virtue as the spirit of independence. The poor should be assisted undoubtedly—but in what?—*in providing for themselves*. Hence the wisdom of the institution of savings' banks. Taught to bear upon others, they are only a burden upon industry."—*England and the English*, Vol. I. p. 231.

established in England, while France was filled with hospitals. In both, the necessity for exerting themselves to provide for their own support was diminished; in both, the evil increased with the application of remedies; in both, the remedy was extended with the increase of the disease; in both, it tended to the destruction of morals; in the one it terminated in a revolution which destroyed the rights of property; in the other it has in some parts of the kingdom almost destroyed its value.\* That the result has not been precisely similar in both cases is to be attributed to the fact, that France was always agitated by wars, and the accumulation of capital thereby prevented; whereas, England enjoyed advantages arising out of her insular position, and the waste of capital, until the commencement of the wars of the French revolution, was comparatively small. As soon as the effect of those wars began to be felt the condition of the people began to deteriorate, and during the period of their continuance it was fast hastening to a similarity with that of the people of France. The progress of the poor rates has been as follows:

In 1750,	the amount raised was	£ 730,135
1776,	" "	1,721,316
1803,	" "	5,318,204
1815,	" "	7,457,676
1820,	" "	8,719,655
1830,	" "	8,161,281
1832,	" "	8,622,920

We shall have occasion, hereafter, to show, that the extraordinary change that took place within a few years subsequently to 1790, was consequent upon the waste of capital in the employment

\* "In Colesbury, the expense of maintaining the poor, has not merely swallowed up the *whole value of the land*; it requires even the assistance of two years' rates in aid, from other parishes, to enable the *able bodied, after the land has been given up to them, to support themselves*; and the aged and impotent must even then remain a burden on the neighbouring parishes.

"Our evidence exhibits no other instance of the abandonment of a parish, but it contains many in which the pressure of the poor rate has reduced the rent to one half, or less than half of what it would have been, if the land had been situated in an unpauperised district, and some in which it has been impossible for the owner to find a tenant."—*Report of Poor Law Commissioners*, p. 65.

"In the neighbourhood of Aylesbury there were forty-two farms untenanted at Michaelmas last; most of them are still on the proprietors' hands; and on some no acts of husbandry have been done ever since, in order to avoid the payment of the poor's rate.

"In the parish of Thornborough, Bucks, there are at this time 600 acres of land unoccupied, and the greater part of the other tenants have given notice of their intention to quit their farms, owing entirely to the increasing burthen of the poor's rate."—*Ibid.* p. 66.

of large armies and immense fleets in the war with France, causing a diminution of production, and *diminishing the labourer's proportion* of that smaller quantity. The capitalist was enabled to take a larger proportion; but we shall also show that every *increase of his proportion* was attended by a *diminution in the quantity of commodities* obtainable for the use of a given amount of capital. *The loss fell upon both capitalist and labourer, and the owner of capital was, in addition, required to contribute towards compensating the labourer for the loss thus caused.*

The honest, industrious, and independent labourer has been compelled to contribute to the support of the dishonest, the idle, and the dissolute. He has seen them enjoying comforts that he could not command, even by the severest labour.\* At length finding himself deprived of employment, because he scorned to ask for aid, he has been compelled to join the common herd, and become a pauper.†

\* It was estimated that the quantity of solid food that could be obtained by

The independent agricultural labourer was	-	-	-	122 oz.
The soldier had	-	-	-	168 "
The able-bodied pauper† has vegetables and	-	-	-	151 "
The suspected thief had	-	-	-	181 to 203 "
The convicted thief had	-	-	-	239 "
The transported thief had	-	-	-	330 "

The Poor Law Commissioners, [page 228,] state that "the diet of the work-house almost always exceeds that of the cottage, and the diet of the jail is almost always more profuse than that of the work-house."

† The writers of France express great commiseration for the *unfortunate* people of England. Thus, M. Sismondi says: "The miserable state of the peasants of Italy can only be compared to that of the people of England."—*Quoted by Ville-neuve, t. III. p. 232.*

"Seven and a half millions of the people of France have an annual income of 4½ cents per day. The average price of wheat throughout the kingdom has been 40s. (\$9 60) per quarter, at which price 4½ cents would give 42 ounces of flour per day. The pauper of England has shelter, clothing, vegetables, and 22 ounces of bread and meat per day. His situation far, very far, exceeds that of the twenty-two and a half millions of the people of France, whose income averages 6 cents per day. The condition of the *paupers* of France is deplorable. Their allowance is insufficient for the lowest scale of existence.

"The mean value of food distributed to each pauper last year, in the fifth arrondissement, was 6 fr. 62 c. [the Paris price of sixty-five pounds of the worst bread,]—of fuel, 32 c. and of clothing and bedding, 4 fr. 16 c. But even this is high, compared with the Department of the North, where the average relief of all kinds is only 5 fr. 42 c., and in the arrondissement of Dunkirk, only 4 fr. 22 c."—*Foreign Quarterly Review, No. XXIX. p. 69. American edition.*

† "To the provident labourer they exclaimed, 'You shall have no work, for your dress and decent appearance show that you have been guilty of saving money from your labour; subsist, therefore, upon what you have saved, until you have sunk to the level of those who, by having been careless of the future, have become entitled more than you to relief!'

It is true that the parish endeavoured to provide employment, but the public is a bad employer, particularly when it is assumed by the labourer that he has a right to be supported, work or not, and, consequently, the business was done in a most slovenly and expensive manner. Between the labourer and the overseer a constant war existed, the former desiring always to give the smallest possible quantity of labour in return for the pittance doled out to him.\* The free circulation of labour was destroyed by the law of settlement. It was superabundant in one parish, and the capitalists were burthened for the support of people who were unemployed, while a demand for their labour existed in an adjoining one.† With the diminution in the habits of industry there was a diminution of honesty, and robbery and plunder were resorted

"‘You have no family,’ they said to the prudent labourer, who had refrained from marrying, because he had not the means of providing for children—‘you have no family, and the farmer therefore must not employ you until we have found occupation for those who have children. Marry without means!—prove to us that you have been improvident!—satisfy us that you have created children you have not power to support!—and the more children you produce, the more you shall receive!’

"‘To those who felt disposed to set the laws of their country at defiance,—‘why fear the laws?—the English *pauper* is better fed than the independent labourer—the *suspected thief* receives in jail considerably more food than the *pauper*—the *convicted thief* receives still more—and the *transported felon* receives every day very nearly three times as much food as the honest, independent peasant.’"—*Address of the Assistant Commissioner of the County of Kent. Quarterly Review, April, 1835.*

\* "‘The constant war which the pauper has to wage with all who employ or pay him, is destructive to his honesty and his temper; as his subsistence does not depend upon his exertions, he loses all that sweetens labour, its association with reward, and gets through his work, such as it is, with the reluctance of a slave. His pay, earned by importunity and fraud, or even violence, is not husbanded with the carefulness which would be given to the results of industry, but wasted in the intemperance to which his ample leisure invites him. The ground on which relief is ordered to the idle and dissolute is, that the wife and family must not suffer for the vices of the head of the family; but as the relief is almost always given into the hands of the vicious husband or parent, the excuse is obviously absurd. Wherever, says Mr. Laurence, of Herefield, the labourers are unemployed, the beer shops of the parish are frequented by them.'—*Report of Poor Law Commissioners, p. 87.*

† "‘Applications to the petty session had been made by some labourers who had been refused relief by the overseer, after they had rejected work at Wrotham Hill, twelve miles off. This hill was lowered a short time ago, and the work was let out by contract; fourteen or fifteen men of this parish might have found employment at 2s. 6d. per day, or 15s. a week—high pay for winter wages. The labourers, however, one and all, refused to go, unless the parish would agree to allow them two days pay, one for going, and one for returning; in other words, would enable the men to make eight days of the six, and so raise their wages from 15s. to £1 per week.'—*Rev. H. Bishop's Report.*

to, to obtain the means of gambling and dissipation.\* Idleness and vice prevailed among the labouring classes, and as a necessary consequence, there was a vast increase of crime,† and a vast amount of poverty and wretchedness.‡

While so much care was bestowed upon the adults, it would have been extraordinary if an equal quantity had not been given to the children. It is true there were no foundling hospitals

\* " 'Were I to detail the melancholy, degrading, and ruinous system which has been pursued throughout the country, in regard to the unemployed poor, and in the payment of the wages of idleness, I should scarcely be credited beyond its confines. In the generality of parishes, from five to forty labourers have been without employment, loitering about during the day, engaged in idle games, insulting passengers on the road, or else consuming their time in sleep, that they might be more ready and active in the hours of darkness. The weekly allowances cannot supply more than food; how then are clothing, firing, and rent to be provided? *By robbery and plunder*; and those so artfully contrived and effected, that discovery has been almost impossible. Picklocks have readily opened our barns and granaries; the lower order of artificers, and even, in one or two instances, small farmers, have joined the gang, consisting of from ten to twenty men; and corn has been sold in the market of such mixed qualities by these small farmers, that competent judges have assured me, it must have been stolen from different barns, and could not have been produced from their occupations. Disgraceful as these acts are to a civilized country, I could enumerate many more, but recital would excite disgust.' "—*Report of Poor Law Commissioners*, p. 70.

† "Are we to understand, as the result of your experience, that the great mass of crime in your neighbourhood has always arisen from idleness and vice, rather than from the want of employment? Yes, and *this idleness and vicious habits are increased and fostered by pauperism, and by the readiness with which the able-bodied can obtain from parishes allowances and food without labour.*"—*Evidence of Mr. Gregory, Treasurer of Spitalfield's Parish. Report of Poor Law Commissioners.*

‡ Manchester—of 6951 houses examined by the Board of Health, there were

961 out of repair,  
1435 damp,  
2221 wanting privies,  
452 ill ventilated,  
939 wanting proper southing.

of 687 streets, there were 248 unpaved,

53 in part paved,  
112 ill ventilated,  
352 containing heaps of refuse, stagnant pools, ordure, &c.

*Gaskell's Artisans and Machinery*, p. 79.

"Upwards of 20,000 individuals live in cellars in Manchester alone. \* \*

The crowds of beings that emerge from these dwellings every morning, are truly astonishing, and present little variety as to respectability of appearance: all are ragged, all are filthy, all are squalid. \* \* \* These cells are the very picture of loathsomeness: placed upon the soil, and partly flagged, without drains, subjected to being occasionally overflowed, seldom cleaned, each return of their inmates bringing with it a farther accession of filth, they speedily become disgusting receptacles of every species of vermin which can infest the human body."—*Ibid.* p. 82.

erected, but every alms-house was made a receptacle for illegitimate children. A bounty was offered for their production,\* and as usual, when such is the case, the supply was abundant.† It became, at length, necessary to have had children to secure a husband, and the virtuous remained single, while the vicious were provided both with husbands, and the means of support.‡ Under such circumstances it is not extraordinary that immorality was so widely extended as to warrant an assertion made by one of great authority,§ that “female chastity, among the labouring classes, was a virtue almost unknown.” It is highly gratifying to see the vast change in this respect, that has been produced by the new poor law. In 1835, the number of bastards chargeable was 71,000. In 1837, it was reduced to 45,000. In 1835, the number affiliated was 12,000. In 1837, it was reduced to 4,000.

In providing the means for the prosecution of these wars, it

\* Extracts from the Reports of the Poor Law Commissioners :

“Swaffham, Norfolk. A woman in a neighbouring parish had five illegitimate children, for which she was allowed 10s. per week, and 6s. for herself. Remonstrating with another, she replies, ‘I am not going to be disappointed in my company with men, to save the parish.’ This woman now receives 14s. a week for her seven bastards. Had she been a widow with five legitimate children, she would not have received so much by four or five shillings.”

† “At Nuneaton, ‘seventeen out of every twenty of the female poor who went there to be married, were far advanced in pregnancy.’”—p. 173.

“Several clergymen told me, that four-fifths of the women are with child, and frequently near the time of their confinement at the time of their marriage.”—p. 174.

“I know of many instances in which the mothers have themselves been instrumental in having their daughters seduced, for the express purpose of getting rid of the *onus* of supporting her.”—p. 176.

“They are almost always with child when they come to church.” p. 173.

Here we find effects very similar to those produced in France, by the establishment of foundling hospitals. The latter system is worse than that of England, because the frail mother is relieved of the feeling of shame.

‡ “To the young female, who recoiled with horror from this advice, the following arguments were used :—‘If you do insist on following your parent’s precepts instead of ours—don’t wait till you can provide for a family, but marry !—the parish shall support you ; and remember that the law says, the more children you bring into the world, without the means of providing for them, the richer you shall be !—’

“To the most depraved portion of the sex—‘Swear !—we insist upon your swearing—who is the father of your child. Never mind how irregular your conduct may have been ; fix it upon a father ; for the words, ‘*thou shalt not bear false witness against thy neighbour*,’ are not parish law—what’s *wrong* before the altar, we have decreed *right* in the vestry ! Swear, therefore ; and though you swear ever so falsely, you shall immediately be rewarded !’—Address of the Assistant Commissioner for Kent.

§ We think it was Lord Brougham.



became necessary to impose excise and impost duties of the heaviest kind, and thus to offer bounties for the violation of the laws. Illicit distillation,\* frauds upon the excise, and smuggling of foreign merchandise, existed to a vast extent, leading frequently to acts of violence resulting in murder, and tending greatly to destroy the habit of regular application.† Every new imposition rendered it necessary to employ additional officers for their collection, and for the detection of frauds, and thus every new interference with the labourer, by which he was limited in his productive powers, caused the withdrawal of others to see that the laws were obeyed.

Although this demoralizing system produced the most injurious effects in every part of the kingdom, it was least felt in those portions in which the population was greatest, and in which, consequently, the inferior soils were most extensively brought into activity. If we draw a line from the Humber, along the Trent to the eastern waters of the Severn, and follow that stream to Gloucestershire, thence up the western waters of that river to Liverpool, we shall have north of it the portion of the kingdom in which population and capital most abound, and embracing the counties of Northumberland, Cumberland, Durham, Westmoreland, Yorkshire, Lancashire, Nottingham, Derby, Cheshire, Stafford, Leicester, Warwick, Worcester, and Gloucester, with a population of 5,749,154, upon a surface of 13,209,600 acres,‡ giving  $2\frac{3}{11}$  acres per individual. In that district, the amount of poor rates for 1832 was £2,497,807,§ or 8s. 8d. per head, while in the remainder of the kingdom, with a population of 1,145,568 upon a surface of 23,785,600 acres,|| giving  $2\frac{2}{10}$  acres per head, the

\* "Illicit distillation is carried on to a great extent. It has been calculated, upon not very perfect data, that there are not less than one hundred stills in constant operation in Manchester alone, producing genuine potheen of the highest strength. \* \* \* Reckoning 30 gallons as the weekly produce, it would give annually 156,000 gallons, which pays no duty."—*Gaskell's Artisans and Machinery*, p. 131.

† "It has been well observed, that to create, by high duties, an overwhelming temptation to indulge in crime, and then to punish men for indulging in it, is a proceeding wholly and completely subversive of every principle of justice. It revolts the natural feelings of the people, and teaches them to feel an interest in the worst characters, to espouse their cause, and to avenge their wrongs. A punishment which is not apportioned in the offence, and which does not carry the sanction of society along with it, can never be productive of any good effect; the true way to put down smuggling is to render it unprofitable, by reducing the duties on the smuggled commodities."—*Edinburgh Review*.

‡ M'Culloch's *Statistics of British Empire*, Vol. I. p. 408.

§ Wade's *Middle and Working Classes*, p. 561.

|| M'Culloch's *Statistics of British Empire*, Vol. I. p. 408.

amount was £ 6,125,103,\* or 15s. per head. Under the new poor law act, much benefit has arisen from the transfer of population for the southern counties, in which population is least dense, to the northern counties, in which it is most so—from those in which the superior soils only are cultivated, to those in which the inferior soils are most fully brought into action.†

\* Wade's Middle and Working Classes, p. 561.

† "It is an ascertained fact, that previous to the operation of the present law, the extra labourers southward of Derby did not migrate northwards to meet the demand there existing; that is to say, that after a most minute investigation *there was but one labourer found in the counties of Lancashire, Cheshire, and Yorkshire, who had come from the south of Derby, and this was a brickmaker out of Leicestershire; so that in these hives of industry and wealth no southern labourer ever thought of entering.*

"Being aware of the disparity of wages in the agricultural and manufacturing districts, I gave public notice in my parish, about nine years since, that I was ready to send away 10 labourers to good places, as our soil was daily sinking in value from the destruction caused by poor rates: 12 men applied, who were sent by the overseer, and the first question asked of me, was, '*what beer do they give in that country you wish us to go into?*' I desired them to return to their places of idleness, viz. the gravel pits, and when next I endeavoured to induce them to migrate and amend their condition, I would have another law to enable me to carry my wishes into execution. My next measure, by way of palliation, was to get a quantity (50 acres) of common ground into cultivation by spade husbandry, which I was enabled to do by the Duke of Richmond kindly assisting us by his bill, otherwise I should have been again defeated by an individual landowner in this parish, and our rates, which were already 10s. in the pound, would soon have been 12s. At last the change came; one year has passed since we were embodied as a Union, and I then explained to some good working labourers with large families what would be the effect of the bill; I recommended them to migrate into the manufacturing districts, in consequence of which 19 families, about 130 souls, have migrated; generally speaking, they write in the most gratifying manner, but some of them having fallen ill of the small-pox, they have been forced to call upon us for temporary assistance. Looking, however, to the operation of migration throughout the Union, I find this to be the result: Farmers appreciate their servants far more than they did; servants value their places and get better paid; the labourers in this parish are better off than I ever saw them, although the rates have been reduced one half; and sanguine as I have always been as to the moral effect of the change upon the people, it has far exceeded my earnest expectation. I now see the boy taken out to work with the parent in the field; I see mothers remaining in their houses teaching their children to make lace, &c.; I see industry where there was idleness; I see sobriety in the place of drunkenness; I see, in short, a desire amongst the labouring classes to assist themselves, and gratitude for any kindness that may be bestowed upon them. If the poor are temperately reasoned with, I have scarcely met with one that attempts to vindicate the old system; they know the rates were prostituted to the worst of ends, and they saw but too well how many industrious people were brought to penury by the payment of them. For many years I have advocated strongly a change in the administration of the poor laws, and this I have done, not so much as regards pecuniary matters only, but as relating to

The system has produced turbulence and discontent\* among the workmen; it has lowered the standard of morals, it has caused incendiary fires, riots, and murders, and has thus lessened the security of person and of property. The reform that has taken place, cannot fail to improve their condition, their feelings, their morals, and to increase that security by which further and more rapid improvement will be insured.†

The UNITED STATES present a very different picture. With them there has been but little unnecessary expenditure, and the people have been allowed to retain and to expend in their own way the proceeds of their labour. There are, therefore, but few persons who are unable to maintain themselves by their own exertions.‡

the moral condition of the poor. Everything about us was paralyzed by pauperism; the land was cultivated by it, the children were nursed and rocked in the parish cradle, and mendicancy was the first thing they were instructed in, by clothing them in rags and turning them upon the high roads without restraint. The farmers said, 'if we cannot manage the poor, I wonder who can;' and the overseers were so alarmed by anonymous letters, and the constant dread of fire, that they dared not, in most instances, refuse a sturdy pauper's demand."—*Second Report of the Poor Law Commissioners*, p. 546.

\* English workmen, even in America, are remarked for their tendency to dissipation and turbulence. The experience of all employers corroborates the testimony given by Mr. Kempton, before the House of Commons, in which he says that their discontent manifests itself, 'in the workmen becoming masters, in strikes and demands almost always ill considered, with which the masters cannot comply, and which grievously interfere with his commercial operations. Their ignorant expectations generate ill will and hostility towards the masters.' Therefore, he says, 'they do not like to take English workmen into the New England factories.'—*Greg's Factory Bill*, p. 140, 141.

† The poor tax has already fallen to about four millions of pounds.—*Third Annual Report of Poor Law Commissioners*.

‡ The fact that must strike every stranger on his landing, and which is calculated to impose some restraint upon his national pride, above all if he is an Englishman,§ is the appearance of general ease which is presented to his observation. While the nations of Europe are all more or less a prey to the evils of pauperism, which is undermining them, while the ablest men are unable to apply a remedy, there are here no poor, at least in the States of the north and east, which are free from the taint of slavery. If he encounter a few, they are an imperceptible minority of intemperate individuals, most of them people of colour, or adventurers newly landed, who have not yet been able to accommodate themselves to habits of steady labour. Here nothing is more easy than to live by labour, and to live well. The articles of necessity are cheaper than in France, and wages are twice or thrice as high. A few days since I was on the line of a rail road, then in course of construction, and they were making embankments. This species of labour, which requires no skill, is habitually performed by the Irishmen newly arrived in the United States, who have no other resource than their arms, no other talent than

§ M. Chevalier here makes the same mistake as M. Sismondi. (See note, page 220.)

In the State of Maine there were, in 1835, 2,480 paupers, maintained at a cost of \$68,188. The population of this State, in 1830, was 310,000, of whom 1,970 were above 80 years of age. The number of paupers is, therefore, little more than that of those who by age and disease may have been deprived of the power of supporting themselves by labour.

In 289 out of the 305 towns in Massachusetts, the number of persons relieved or supported, in 1837, was 14,099, of whom there were natives of the State, or others having a legal residence, - - - - - 8,981

Americans, not natives of the State, and not having a

legal residence, - - - - - 1,976

Foreigners, - - - - - 2,870

The population being 701,000, it follows that one in fifty received aid. Omitting those who had no legal residence, the proportion would be about one in eighty, or 1¼ per cent. of the whole number.

In that State there are 161 alms-houses, with 15,053 acres of land attached thereto, the whole valued at \$803,982. The *whole number* relieved in these houses was 6,832. The average number of occupants was 4,017, of whom 3,160 were unable to labour. Of these, 546 were insane, and 370 idiots. Total cost of the poor \$306,548.

In New York, in 1835, the whole number returned as paupers was 6,821, out of a population of 2,174,517.\* From the returns of the superintendents of the poor, it appears that the number of persons relieved, in 1830, was 15,506, at a cost of \$246,752; whereas, in 1836, the number was 37,959, at a cost of \$396,100.† The great difference between the number of paupers and that of persons relieved, arises out of the influx of foreigners, vast

the strength of their muscles. These Irishmen are boarded and lodged, and the following is their allowance. Abundance of bread and meat at every meal, coffee and sugar twice, butter once, with six or eight glasses of whiskey. In addition to this, their wages are 40 cents, (2 francs 13 centimes,) under the least favourable circumstances; often 3 francs, and sometimes 4. In France, similar labour is usually worth 1 franc 25 centimes, and the labourers have to support themselves. (*Chevalier, t. I. p. 169.*) The condition of the female operatives at Lowell is thus described by M. Chevalier: "Morning and evening, and at meal times, seeing them passing in the streets, well dressed, and again, seeing suspended on the walls of the factories, among the vases of flowers, and the shrubs which they cultivate, their scarfs, and their shawls, and the hoods of green silk with which they envelope their heads, to secure them from the heat and dust in walking, I said to myself, 'this is not Manchester.'"—*t. II. p. 236.*

\* New York Annual Register, 1836, p. 346.

† American Almanack, 1838, p. 206.

numbers of whom are temporarily thrown upon the public for support, until they find employment and means of supporting themselves.\* Of the above number 20,554 belonged to the city of New York, at which immigrants chiefly arrive. There are attached to the poor-houses 6,217 acres of land, and the aggregate value of the establishments is estimated at \$1,433,775.†

The adoption of the English system of poor laws, under which the idle and dissolute feel themselves entitled to claim support as a right, has been attended with injurious effects—so much so, that attention has been almost universally called to the necessity for a change of system. On one hand are the attractions of the poor-house, on the other are those of good wages and a constant demand for labour. Thus far the attractions of the latter have been such as to outweigh those of the former, but it is difficult to estimate the injury that must result from lessening the feeling of independence. It may be asserted with perfect confidence, that in no part of the world is that feeling so universal;‡ in none is labour so steadily and regularly applied as in the United States in

\* M. Villeneuve, (*t. I. p. 81.*) states that pauperism had made such rapid progress in the United States that, although thirty years since there was but one pauper to 333 persons, there is now one to every 40. Every exertion has certainly been made to increase their number, by offering the strongest inducements to idleness; but, happily, the inducements to exertion are so great that they have, in a great degree, counterbalanced the attractions of poor-houses.

† American Almanack, 1838, p. 207.

‡ "The citizen of the United States is taught from his earliest infancy to rely upon his own exertions, in order to resist the evils and the difficulties of life; he looks upon the social authority with an eye of mistrust and anxiety, and he only claims its assistance when he is quite unable to do without it."—*De Tocqueville, Vol. I. p. 30.*

"The mass of the American people are more fully initiated than the mass of European population, in what relates to the dignity of man, or at least in regard to their own dignity. The American workman is full of self-respect, which he manifests not only by an extreme susceptibility, and by his repugnance to use the term master, which he replaces by that of employer, but also by much greater good faith, exactitude, and scrupulousness in his transactions. He is exempt from the vices of the slave, such as lying and stealing, which are so frequent among our labourers, particularly those of our cities and factories. The French workman is outwardly much more submissive, but pressed by want and surrounded by temptations, he rarely omits an opportunity of deceiving his employer, when he thinks he may do so with impunity. The workman of Lyons steals the silk that is given to him to weave. (The loss to the employers of Lyons is estimated at a million of francs, or \$200,000.) The workman of Rheims does the same by the wool. (The loss is also estimated at a million.) Frauds are also committed in America; charcoal is sold for indigo, and talcose stone for white soap, but they are rare exceptions. The character of the American workman, considered as a labourer, is most honourable, and excites the envy of the European, who compares what he sees here with that which he has left at home.'—*Chevalier, t. II. p. 408.*

general; in none is consumption so great,\* and particularly in the State of Massachusetts, in which the population is more dense, better fed, better clothed, and better educated than in any other. As we pass from that State to the west and south, there is a diminution in the steadiness of application, as well as in the demand for the labour of those portions of the population unable to aid in cultivation.

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If the moderation of the claims of the government has, by permitting the growth of capital, tended to promote the growth of the habit of regular application, not less so has it operated in preventing those irregular habits which arise out of the practice of smuggling. It cannot be doubted that the duties on imports have been much higher than they should have been, and that a continuance of the system would have had highly injurious effects; but as yet smuggling has been exceedingly limited in extent. The evidence of the correctness of this assertion is to be found in the very limited means used by the government for its prevention,† and the facility with which merchandise of all descriptions, baggage, &c., is passed through the custom house. The whole experience of the United States tends to prove that when men can, by honest industry, earn a comfortable subsistence for themselves and their families, the *proportion* that will prefer to adopt dishonest means is small.

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The effect upon morals of this state of things, is of the most gratifying character. The number of illegitimate children born in the United States is small: so small, that we should suppose one in fifty to be a high estimate. In the great factories of the eastern States there prevails a high degree of morality,‡ pre-

\* "In this country the consumption of articles of first necessity, among the whites, embraces many articles which, among us, are almost deemed luxuries, not only among the labouring classes, but among certain classes of employers."—*Chevalier, t. II. p. 406.*

† "The small number of custom-house officers employed in the United States, compared with the extent of the coast, renders smuggling very easy; notwithstanding it is less practised than elsewhere, because every body endeavours to repress it. In America, there is no police for the prevention of fires, and such accidents are more numerous than in Europe; but in general they are more speedily extinguished, because the surrounding population is prompt in rendering assistance."—*De Tocqueville, Vol. I. p. 287.*

‡ The following passage from a statement furnished by the manager of one of the principal establishments in Lowell, shows a very gratifying state of things. "There have only occurred three instances in which any apparently improper connexion or intimacy had taken place, and in all those cases the parties

senting a most extraordinary contrast to the immorality represented to exist in a large portion of those of England.\*

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CREDIT.

When person and property are secure, the owners of capital are willing to apply it in various ways tending to aid the exertions of the labourer. One employs it in making rail roads or canals, secure of receiving toll for their use; another builds houses and barns; a third constructs machines by which the labour of the farmer, or that of the cotton or woollen manufacturer, is rendered more productive; a fourth opens a shop at which the manufacturer and the ploughman may exchange their products; and a fifth builds

were married on the discovery, and several months prior to the birth of their children; so that, in a legal point of view, no illegitimate birth has taken place among the females employed in the mills under my direction. Nor have I known of but one case among all the females employed in Lowell. I have said known—I should say heard of one case. I am just informed, that that was a case where the female had been employed but a few days in any mill, and was forthwith rejected from the corporation, and sent to her friends. In point of female chastity, I believe that Lowell is as free from reproach as any place of an equal population in the United States or the world."

At the great establishment at Dover, New Hampshire, we have been assured that there has never been a case of bastardy. M. de Beaumont says,

"You may estimate the morality of any population, when you have ascertained that of the women; and one cannot contemplate American society without admiration for the respect which there encircles the tie of marriage. The same sentiment existed to a like degree among no nation of antiquity; and the existing societies of Europe, in their corruption, have not even a conception of such purity of morals. In America, people are not more severe than elsewhere, as to the disorders and even the debaucheries of single life; one meets with abundance of young men there whose manners are notoriously dissolute, and who are thought none the worse of on that account. But society has no toleration for any tampering with conjugal faith; it is as inflexible towards the man who tempts as to the woman who yields; both are banished its bosom; and to meet this stern award it is not even necessary to be guilty; it suffices to have incurred suspicion."—*Marie, t. I. p. 29.*

"The marriage tie is more sacred among American workmen than among the middle classes of various countries of Europe. Although in America marriage is accompanied by fewer ceremonies and formalities than with us, and although it is not so indissoluble, cases of adultery are extremely rare."—*Chevalier, t. II. p. 405.*

\* There can be no doubt, that with a different system, there would in time arise, in the factories of England, a similar state of things. There are, even now, some similar cases to be found in that country, proving how much good may be done, where the owners are disposed to do what is in their power to promote the cause of morality.

"Amongst the great number of factory operatives employed under this gentleman, [William Grant, Esq., at Rumsbottom,] only one case of female misconduct has occurred in the space of twenty years, and that was a farmer's daughter."—*Ure, p. 416.—Note.*



wagons or ships for the transportation of such portions thereof as they may desire to exchange with persons at a distance. Unless they felt secure in so doing all would be disposed to retain their property in the most portable form, in order that it might most readily be concealed or carried off. Thus in India, exposed to such depredations as we have described, the owner of capital would not be willing to build houses, nor would he open a shop, because he could have no security that the former would not be destroyed, or the latter plundered.

The owner of the rail road, or of the ship, or of the wagon, lends his capital to the man who wishes his commodities transported to market, and the labour of the latter is thereby rendered more productive, or is improved in its quality. For the use of the capital so lent he receives a portion of the commodities transported, or the value in money of that portion. The owner of a house lends it to another, and receives payment for its use, in the form of rent—as does the owner of a farm from a third who desires to cultivate it. The owner of woollen or cotton machinery lends it to the workman, who leaves in the hands of the proprietor a certain proportion of the product, as compensation for its use; or the owner agrees to take the whole product and to pay him for his share, in money, what are termed *wages*.

When the capitalist lends his capital freely credit is said to be high, and he is willing to take a small *proportion* of the product of labour for the loan of his machinery; when he does not lend it freely credit is said to be low, and he requires a large *proportion* of the product for its use. Where credit is high labour and capital are productive, and the *small proportion* yields him a *large return*, as in the United States and England. Where credit is low, labour and capital are unproductive, and the *large proportion* of the capitalist gives him a *small return*, as in France and India.

We have already shown, that in the infancy of society, when cultivation is limited to the superior soils, labour is unproductive, capital is scarce, and its owner takes a large *proportion*; but as population and capital increase, and cultivation is extended over the inferior soils, labour becomes productive, capital is accumulated with facility, and the owner takes a small *proportion* for its use. In the first, credit is low, and the owner of capital is unwilling to lend it; whereas, in the last, credit is high, and the capitalist is not restrained by any of those doubts of the general security of property which exist in the former period. High credit is inconsistent with a scattered population, as witness Russia, Poland, and Spain, when compared with England, Scotland,



and Holland. If we take the several States of the American Union, we shall find that credit is highest where population is most dense, and that the former diminishes as the latter becomes more scattered, and thus the owner of capital, in Massachusetts, prefers five per cent. at home, to the prospect of twelve per cent. in Arkansas.

The same state of things that is observed throughout the United States, would exist throughout the world, were it not for the existence of disturbing causes. Credit should be higher in France than in Scotland; in India than in France; and in all higher than in the United States; yet such is not the fact. We have seen that the capitalists of the latter are more willing to lend their capital to facilitate the operations of the labourer by the construction of rail roads, canals, houses, ships, and machinery of every description, than are those of France, and the consequence is that the labour of the former is more productive.

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There are other modes in which credit tends to render labour productive, and which we propose now to consider. In those to which we have referred, the capitalist retains his property in possession of himself or of his agents, but in those to which we now refer, he places it out of his possession, trusting to the honesty of those to whom he lends it, that it, or an equivalent value in other commodities, will be returned, with rent or interest, for its use. Thus the shopkeeper parts with spades and axes, or provisions, or clothing, to those who have occasion for them, trusting that out of the proceeds of their labour they will repay him. He, in his turn, obtains from the maker of axes and spades, or the grower of wheat, or the manufacturer of clothing, a quantity of those commodities, upon his assurance that he will pay him their value at a given time, and the manufacturer obtains from a bank or banker the use of money to enable him to purchase machinery, or raw materials, and to pay wages, and is thus enabled to grant credit to the retailer.

In the infancy of society little credit of this kind is given, and never, unless the capitalist expects to obtain a very large return. In the fur trade the trader grants to the Indian a few goods, but he expects to have in payment that which will yield him three, or four, or five hundred per cent. The trapper thus obtains but about one third, one fourth, or one fifth\* of the value of the commodities produced by his labour, while the trader obtains but small

\* See Vol. I. page 12.

returns for the use of his capital, on account of the large proportion of it that he is obliged to retain concealed and unproductive.\* The Indian and the trapper remain in a state of poverty, and the trader is but moderately compensated for his toils and his risks. He has a large *proportion*, but the whole product is trifling in amount. As population becomes more dense and security more complete, shops increase in number, and the owners are willing to grant credit to all whom they deem likely to pay them. Labour becomes further divided, and there are shops in which capital may be had in the form of provisions; others in which it is to be found in the form of coats, hats, and shoes; and others in which it is to be had in that of gold or silver.

With the further increase in the density of population, labour becomes still more productive, and new divisions take place. One man deals in flour only—buying and selling large quantities thereof; another deals in cotton; a third in wool, &c. Confidence is increased, and the purchaser of a commodity no longer finds it necessary to verify for himself the quality of that which he has purchased, the name of an individual upon the barrel of flour, or upon the bale of cotton or wool, being sufficient guarantee for it. He finds it inconvenient to take them into his possession, and is content to take an agreement for the delivery of the quantity purchased, and thus property changes owners ten, twenty, or thirty times, without having been removed. The saving of labour that is thus caused is a diminution of the cost of production, resulting from the confidence of man in his fellow man. If that confidence did not exist, a number of persons would be employed in removing commodities from one place to another, instead of cultivating or manufacturing others for themselves. The greater the *quantity* of commodities produced, the larger is the *proportion* retained by the labourer; and it is therefore to him of the highest importance that every man should be

\* "Captain Bonneville now made his arrangements for the autumn and the winter. The nature of the country through which he was about to travel rendered it impossible for him to proceed with wagons. He had more goods and supplies of various kinds, also, than were required for present purposes, or than could conveniently be transported on horseback; aided, therefore, by a few confidential men, he made *caches*, or secret pits, during the night, when all the rest of the camp were asleep, and in them deposited the superfluous effects, together with the wagons. All traces of the *caches* were then carefully obliterated. This is a common expedient with the traders and trappers of the mountains. Having no established posts and magazines, they make their *caches*, or deposits, at certain points, whither they repair occasionally for supplies. It is an expedient derived from the wandering tribes of Indians."—*Rocky Mountains*, Vol. I. p. 98.

productively employed. With the increase in the production of commodities the *proportion of the capitalist falls*; but he finds a *constant increase of quantity*, so that he also has every reason to desire that labour should be productively employed. Both, therefore, benefit by the increase of confidence.

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In the infancy of society, the owner of sheep barter for oxen, and the owner of wheat exchanges it for labour. With the increased density of population this is found inconvenient, and a medium of exchange is adopted, as wheat, tobacco, cowrie shells, gold, or silver. As civilization increases we find the precious metals exclusively used for this purpose. The transport even of these from one country to another, is found inconvenient, and the gradual increase of confidence permits the substitution of bills of exchange, by which A., residing in Venice, and having gold in Paris, transfers the same to B., who has gold in Venice, and desires to transfer it to Paris. This species of transaction exists, however, among the mercantile class only, and a much higher degree of confidence is necessary before the labouring classes can dispense with the use of coin. By degrees the inconvenience of using the precious metals at home leads to the adoption of a similar system in smaller transactions, and A., in the Strand, having gold in Fleet street, transfers to B. the right of receiving the same, which B., in like manner, transfers to C., D., E., and F. Here the saving of labour is very considerable, as twenty payments may be made in less time than a single one could be were it necessary to count down the amount in either gold or silver. In this case there still remain two inconveniences, both of which tend to cause loss of time, and to render labour less productive than it would otherwise be. The first is that the order drawn by A. in favour of B., would not be for the sum that B. might wish to pay to C., or C. to D., and it might therefore become necessary to convert it into gold, before it could perform a second operation. The second is, that A., not being personally known to B., C., or D., might find it difficult to use his check without delay in sending to the place in which his gold was deposited, to ascertain that it was good. Both of these difficulties would be removed, if he were to place the gold with some person generally known, who would give him agreements to pay out the same whenever demanded—such agreements to be in certain sums—say 10, 20, 50, or 100 dollars, or pounds. Here would be a vast saving of labour, tending to render that of the community more productive, and to increase the reward of both

capitalist and labourer. It would, however, be only by degrees that the labouring classes would acquire sufficient confidence in those agreements to accept them in lieu of the gold or silver which they might be entitled to receive as wages. In the commencement of such a system there would be few notes used except of the larger denominations,\* such as would pass among merchants or traders on an extensive scale; but as the small shopkeeper and the labourer became accustomed to them, notes of 5, 10, 15, and 20 dollars, and perhaps even of smaller denominations, would be brought into use; and with every increase of confidence, there would be found an increase in the productiveness of labour.

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Increase of confidence would be manifested by the adoption of all those modes of operation by which transfers are facilitated, and the productiveness of labour augmented. The *number*† of shops at which provisions, or clothing, or money could be purchased, would be increased. The facility of obtaining upon credit the use of the commodities or machinery required by the labourer would be increased, attended with a constant *diminution*

\* The Bank of Bengal issues notes which vary in amount from 10 to 20,000 rupees, there being no limitation. *The largest portion is in notes of 100 rupees and upwards.* The average amount in circulation is £800,000.

The Bank of France issues no notes of less than 500 francs. In both countries the confidence in paper is small. With the improvement in the quality of labour, small notes will take the place of the precious metals.

† With the increase in the facilities of exchange, there is a diminution in the *proportion* which the traders, or persons employed in the performance of exchanges, bear to the community. In the infancy of society, the trader collects his own merchandise, accompanies it to the great market, where he exchanges it for what he requires, and returns to attend personally to the exchange of the latter directly with the consumer. Such we see now to be the case in the east, where thousands of merchants are constantly on the road, with small quantities of merchandise. By degrees several traders unite to place their property in the hands of a third person, and a considerable portion of the property in a caravan, or in a ship, will be under the charge of persons who are not owners thereof. A further step in the progress of confidence, places the whole cargo under the care of a single individual, as is now done in the case of voyages to China, the Sandwich Islands, &c. Another and the last step is, where the trader in one city, reposing entire confidence in a trader of another city, places his property in his hands for sale, with orders to purchase in return such commodities as are required. Such is now the case between the different parts of the United States, and between the United States and England. *With each of these changes there is a diminished proportion of the labour of a community required for the performance of exchanges,* leaving a larger proportion to be directly engaged in the cultivation or manufacture of commodities; the consequence of which is that labour becomes more productive, to the great advantage of both labourer and capitalist.

in the proportion charged by the owner for the risk of payment, and a constant increase in the confidence reposed in the agreement of the seller to deliver the quantity and quality of commodities contracted for, whether wheat, cloth, wine, gold, or silver.

The increase in the facilities of intercourse and exchange resulting from an increase of the number of shops and factories, and the improvement of roads, would be attended by a diminution in the quantity of capital required to be invested in any particular commodity. The man who could draw his supplies daily from the manufacturer of cotton-cloth, would not keep on hand more than a week's supply, whereas, another, who was distant five hundred miles, would be compelled to keep sufficient for one, or two, or three months. The former could trade upon \$1000 to an extent as great as the latter could do with \$5000; and he on his part could do as much as could be done by another, distant one thousand miles, with an investment of \$10,000 in the same species of commodity. If the three traders possessed each a capital of \$10,000, the first could appropriate \$9000 to the purchase of other commodities—of a house in which to transact his business—or of machinery; the second would have \$5000; and the third would have nothing, his whole capital being employed in keeping a supply of one description of commodities sufficient to meet the *current* demand—to furnish the *currency of cotton-cloth*.

In like manner a man who lived near a shop at which money was bought and sold—or a bank—and who felt entire confidence that he could draw from it a daily supply, would not keep on hand more than sufficient for his daily demands; whereas, others, living at a distance of five hundred or one thousand miles, would be compelled to keep on hand as much as would meet the demands for weeks, or perhaps months. A single hundred dollars might be sufficient for the first, whereas the last might find it necessary to keep \$1000 or \$5000 employed in furnishing the *currency of money*, whether of paper or of gold and silver.

Money is used for facilitating exchanges. So are wagons. When the facilities of intercourse are small, a large quantity of money is required for performing a small amount of exchanges. When the roads are bad many wagons are required for transporting a small quantity of commodities. As the facilities of intercourse are increased—as shops for dealing in money increase in number—there is a constant decrease in the quantity of money required, attended with a constant increase in the quantity of

exchanges to be performed; and as turnpikes and rail roads appear, there is a constant decrease in the quantity of wagons employed in transportation, and an equally constant increase in the quantity of merchandise transported. A single guinea in London will perform as many exchanges as would be performed by ten in most of the villages of England—by twenty in the counties of Cumberland or Westmoreland—by one hundred in the Highlands—or by one thousand in the Orkneys. A single car on a rail road transports as much as would be transported by a dozen wagons on the best turnpike—or by five hundred in the neighbourhood of the Rocky Mountains.

Every increase in the facilities of intercourse, resulting from the increase of population and of capital, would thus be attended with a diminution in the quantity of currency required for the performance of any given number of exchanges. Every increase of confidence in bank notes would tend to diminish the *proportion* of the currency required to be in gold or silver. Further increase of confidence would be attended with the substitution of individual checks, drafts, &c., for bank notes, gold, or silver. Here would be a further decrease in the quantity of *currency* required, and in the quantity of *capital* required for its support, attended with a further increase in the quantity that might be applied to production, and in the quantity of commodities to be exchanged. Millions of exchanges are performed in London, daily, without the necessity for using as much currency, in the form of gold, silver, or bank notes, as are required for the purchase of a cargo of hides at Buenos Ayres.

The smaller the quantity of capital required to be kept in the form of money for the purpose of facilitating *exchanges*, the larger will be the quantity that may be applied to the construction of machinery for aiding *production*. And thus with the increase of population, of capital, and of confidence, *there is a constant increase in the quantity of production, without a corresponding increase in the quantity of currency. There is, therefore, a constant decrease in the proportion of currency to production.*

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Credit cannot exist without confidence in the security of property and in the disposition of the purchaser of a commodity to pay for it at the time appointed. No man parts with his property except when he believes that an equivalent will be returned. No man accepts a note, check, or draft, in return for his commodities except when he believes that it will be duly paid. In accepting it he gives evidence that he believes the party pur-

chasing means to pay him, and will have the ability so to do. *The existence of a system of general credit is evidence that the people composing the community in which it exists believe that their neighbours are honest and will pay the debts they may contract.* Referring to the history of England and of France, we see that a few centuries since credit was almost unknown, but that as population became more dense, it arose, and that it has steadily increased with the growth of population and increased security of property.

In INDIA, credit has scarcely any existence, except among the merchants and traders of the principal cities. The owner of seed lends it to the agriculturist, *on condition of receiving one hundred per cent. for its use until the time of harvest.\** Three four, and five per cent. per month,† are the ordinary charges for the use of capital, but the great majority of the people of that country cannot obtain it on any terms whatever.

At the Bank of Bengal, government *bills* are discounted at 4 per cent., government *paper* 5 per cent., private bills 7 per cent. The difference marks the extent of risk, which is obviously very great, and accordingly we are informed that the Bank “has lost considerably by bad debts and forgeries.”‡

In FRANCE, the owner of a commodity has little disposition to part with it unless he can have payment on delivery, and little business is therefore done upon credit. The owner of capital is not disposed to lend it, and a necessary consequence is that large quantities lie idle. The amount of the precious metals in that country is estimated at six hundred millions of dollars,§ being three times the quantity supposed to exist in Great Britain and Ireland, and exceeding by 60 per cent. the whole *circulation of gold, silver, and paper.* The amount of production of France does not exceed two thirds of that of the United Kingdom; and as the number of

\* Colebrooke, Husbandry of Bengal, p. 101. † Rickards's India, Vol. II. p. 196.

‡ See Martin's Colonial Library. East Indies. Vol. II. p. 136.

§ “The quantity of gold and silver that has been struck in France, of the new coinage, amounted, in 1836, to a little more than 4,000,000,000, of which nearly three fourths were of silver, and one fourth of gold. It is not probable that more than 1,000,000,000 have been exported or melted, so that there remain 3,000,000,000, (\$600,000,000.) A part of this immense capital is out of circulation, and rests buried in the coffers of individuals, or hoarded by the poor, unwilling to confide to any one their little savings.”—Chevalier, *Lettres sur l'Amerique du Nord*, t. I. p. 403.



exchanges must, in consequence of the inferiority in the quality of labour, bear a still smaller proportion,\* it follows that the amount of circulation required for their performance is proportionably small, and does not exceed 150 or 200 millions of dollars, or 750 to 1000 millions of francs. At least two thirds of the precious metals of France, admitting the amount to be 3000 millions, must now lie unproductive, in consequence of the want of confidence that forbids the owners to part with them.†

To this want of confidence is due the fact, that throughout France there has been, until recently, but one of those labour-saving machines termed banks, at which money is bought and sold. About twenty years since, that one made an attempt to establish branches at Lyons, Rouen, and Lille, but without success. Where commodities are not parted with except for prompt payment, there can be little inducement to establish banks, whose chief business ought to be the discount of bills given for merchandise. How little this is the case, may be judged from the fact that, in 1836, the Bank of France made a new attempt to establish branches, placing one at Rheims,‡ and another at St. Etienne,§ and the discounts at each have been but about 200,000 francs, (\$40,000,) per week.

The *maximum* of the discounts of the Bank of France, in 1836, was 151,000,000, (\$30,000,000,) and the *minimum* 77,000,000 francs, (\$15,000,000,) the average being about \$22,000,000, or less than two thirds of the *capital* of the Bank of the United States. The *total amount* of discounts in the year was 760,000,000 francs.|| The number of notes discounted in the year was 406,187, giving an average of about 1870 francs = \$380, or about £80 ster-

\* When labour is of very inferior quality, as is the case in France, the chief part of the product thereof consists of articles of the first necessity, a large proportion of which is consumed by the producer, and does not become the subject of exchange. With every improvement in the quality of labour there is an increase in the *quantity* of production, and in the *proportion* of the products that are exchanged.

† The deposits in the Bank of France, in 1835, were only 75,000,000 of francs, (\$15,000,000); and in 1836, 48,800,000, (\$9,800,000.)

‡ Population 100,000.

§ Population 25,000.

|| The fluctuations in the business of this institution have been exceedingly great. In 1826, the total amount of bills discounted was 689 millions. In 1831, it fell to 223 millions. In 1832, to 151 millions, or only 30 millions of dollars, being an average of  $2\frac{1}{2}$  millions of dollars per month, instead of above 11 millions in 1826. This course tended greatly to increase the distress then so universal in France.



ling, and the average time cannot have exceeded 50 days.\* Small as is this amount, and short as is the time, the bank requires *three endorsers, or two endorsers and a deposit of property equal in value to the loan that is to be made*, showing how very small is the confidence reposed in the engagements of individuals.† Under such circumstances it would be extraordinary if the losses of the institution were not small.‡

The same want of confidence which prevents individuals from parting with merchandise on credit, prevents others from applying their capital to the formation of banks, to which those who were desirous of increasing their machinery of production, might apply for aid.§ Savings' banks are not popular,|| and large sums

\* The very small amounts for which notes are given, is shown by the statement of the president of the bank, that "of 406,187 notes discounted in 1836, five eighths were for sums less than 1000 francs, = \$186 67;" and that "*many thousands for sums under 100 francs, (= \$18 67,) figured on the books.*"

† The following account of the Bank of France, we take from Goldsmith's Statistics of France, p. 138.

"The operations of the Bank consist: First, in discounting bills of exchange not exceeding three months date, and bearing *three separate endorsements* of respectable persons not connected with each other. Nevertheless, the bank discounts bills which have *two respectable endorsements only, provided a deposit be made in property of equal value.*

"Second.—It makes advances of money on government securities.

"Third.—It makes advances on deposits of bullion, or foreign coin, diamonds, shares in public companies, &c., at the rate of one per cent. per annum. Not less than the value of 10,000 francs is received as a deposit, and discount for 45 days is deducted from the amount of the sum advanced; nor if the deposit be redeemed the next day, is any part of the discount refunded. There are very few bank notes in circulation in the departments, and those that are, if at any distance from Paris, pass at a discount of  $1\frac{1}{2}$  per cent., as they are not received in payment of taxes or custom house duties in sea-ports, so that *remittances must be made in hard cash, for which a premium of five per cent. is paid at the post office.*"

‡ The president stated that of the discounts of 1836 only a single note of 200 francs remained as a suspended debt. From other remarks it may be inferred that there is a considerable amount remaining from previous years. In 1831, it exceeded four millions.

§ The local banks of France are six in number, with a capital of 14 millions of francs, or less than 3 millions of dollars.—Chevalier, *t. I. p.* 388.

|| Bowring's Second Report, p. 36.

Francs.

The Savings' Bank of Paris was founded in 1818, and in 1830 its deposits amounted to - - - - - 49,559,117 ¶

This amount shows that the system was understood, and that credit

¶ In 1836, the amount, according to M. Chevalier, (*tom. II. p.* 500,) was 45,633,182 francs, *having increased little more than two millions in six years.* The Savings' Fund of the departments amounted to 37,965,445 francs. Total, 83,598,627, or 16 millions of dollars.

are hoarded which under other circumstances would be most usefully applied.

The consequence is that those who have occasion to borrow, are obliged to pay high interest, while large sums remain uninvested. Money can rarely be obtained on a *first mortgage* at less than 6 per cent., and the small proprietors and manufacturers pay 8, 9, 12, and 15 per cent.\* As we descend in the social scale, the rate of interest rises. *The workman of the towns, in his purchases, pays fifty per cent., and even one hundred per cent. per annum. For the peasant, in his dealings with the blacksmith, the tavern-keeper, and the village shopkeeper, it is sometimes one hundred per cent. per quarter. The mean rate of interest throughout France, in transactions of all descriptions, is at least 15 to 20, or perhaps 25 per cent.†* Here we have abundant evidence that where insecurity exists, the owner of capital obtains but a small return, which nevertheless absorbs a large *proportion* of the product, leaving little for the labourer. The government can borrow at 4 per cent. per annum, and the *bons du tresor*, or treasury notes, bear an interest of two per cent. only, whereas the owner of land pays 6 per cent. in addition to the heavy charges of the government, which add  $1\frac{1}{2}$  or 2 per cent.‡ to the cost; and the farmer pays to the dealer with whom he performs his exchanges one hundred per cent., because of that insecurity which prevents the application of capital to the increase of the number of shops, roads, canals, and all other machines that tend to facilitate his approach to market, or to give him *advantages of situation*. Under these circumstances, it is not extraordinary that capital should accumulate slowly, that production should continue to be small, and

had increased in the capital, but when we look to the provinces we find a very different state of things.

					Francs.
Brest,	founded 1821,	total amount of deposits to 1829,	-	-	82,000
Troyes,	"	"	"	"	214,000
Rouen,	"	1820, received in 1829,	-	-	142,426
Nantes,	"	1821,	"	-	176,932
Havre,	"	1822,	"	-	284,864
Lyons,	"	1822,	"	-	258,998
Rheims,	"	1823,	"	-	16,000
Marseilles,	"	1828,	"	-	407,516

*Villeneuve, Economie Politique Chretienne, t. III. p. 96.*

The amount deposited in Rouen, a city containing above 100,000 inhabitants, is 142,426 francs, or about 28,000 dollars, being little more than 500 dollars per week.

\* "The rate of interest on mortgages varies from 5 to 12, and even 15 per cent. The mean rate appears to be not less than 8 per cent."—*Chevalier, t. II. p. 489.*

† *Chevalier, t. II. p. 256.*

‡ *Villeneuve, t. III. p. 315.*

that the labourer of France should find it difficult to improve his condition.

If the owner of commodities of any description is thus unwilling to part with them, except on receiving prompt payment therefor, not less unwilling is the individual who has entitled himself to receive commodities in return for his services, *or wages*, to permit them to remain out of his possession, receiving the promise of bankers or banking companies to produce them. The labourer of France must have gold or silver, which are with him the object of regard to a degree that "is incomprehensible to an American or an Englishman.\*" The consequence of this is to be found in the vast amount of those commodities required for the exchange of the products of France, compared with the small quantity required for that purpose in Great Britain or the United States.

The same want of confidence that is thus shown by the labourer, is exhibited in trade. A single ship has sometimes several supercargoes. Merchandise is not received on the faith of the sellers, nor is it extraordinary that such should be the case, when the foreign trade of France has been in a great measure destroyed by frauds in the preparation of commodities for exportation.† In the dealings of the smaller traders with their own countrymen,‡ as well as those of the manufacturer§ and his workmen,|| we find

\* Chevalier, t. II. p. 247.

† Chevalier, t. II. p. 207. See also extract from the *Voyage of the Favourite*, given by M. Chevalier, t. II. p. 468.

‡ A recent American traveller says:

"The people of Paris have no mutual confidence in their dealings, or in any of their external relations. They watch each other when they negotiate, buy or sell, with a closeness that implies universal distrust; *to American or British strangers, the circumspection and precaution which they finally learn to be requisite, are not a little painful.* Any pledges of good faith may be asked—any will be tendered. In my purchases, *I have felt ashamed of the stipulations which tradesmen and shopkeepers have volunteered.* Any price is asked—any reduction may be deemed practicable. You can get less for much money, or more for little money, than any where else in the world. You are liable to be cheated in whatever you seek; you may be better or worse served than any where else. Your domestics will rarely steal from you directly, but all will collude with butcher, grocer, baker, with every one who has to furnish you, if they can go between. No fidelity to your interests is to be expected from them, when those of their compatriots are in the way."

§ "In the relations of master and workman, there exist at Paris, and generally in our large manufacturing towns, the most disgraceful practices. A large number of masters, to obtain those profits of which they are likely to be deprived by the competition of other manufacturers, are reduced to the employment, in relation to their workmen, of the most miserable artifices, as, for instance, advancing the clock in the morning, and putting it back in the evening. The workmen make reprisals when the opportunity occurs."—*Chevalier, t. II. p. 408.*

|| See note to page 220, *ante*.

a similar state of things. The necessary consequence is a vast waste of time and labour expended in the performance of operations that in the United States or England would be deemed unnecessary, and the general effect is to render labour unproductive, as it must always be where insecurity exists.\*

It is impossible to look to any part of the operations of France, without being struck with the universal want of confidence in each other. No man can act as a stock-broker, attorney, or notary, without giving security for the due performance of his engagements; and personal security not being deemed sufficient, he must pay to the government, in money, the amount required as *caution*. On the first of January, 1834, the government held 61 millions of francs, or 12 *millions of dollars*, as security for the honour and honesty of 21,530 stock-brokers, attorneys, and notaries,† being an average of nearly 3,000 francs each. That bail should thus be demanded, is evidence of great want of confidence in each other; and the small average amount is evidence of the small amount of business to be transacted, and of the *very small* amount of confidence that would be required.

Collectors of taxes, cashiers, paymasters, receivers, retailers of tobacco, &c., place their funds in the hands of the government, and the total amount so held, on the first of January, 1834, was 225 millions,‡ or nearly 45 millions of dollars. The effect of this system is to take from those whose means are small and who desire to make a living by retailing tobacco, or by acting as brokers, or attorneys, the very capital by aid of which they might possibly succeed, and they are therefore compelled to leave all such employments to those who can give security, and yet retain the means with which to carry on their business—to the capitalists. The consequence is, that those *who have little capital* find it exceedingly difficult to place themselves in business, and those who are *without* find it almost impossible, and thus this uniform distrust of each other almost forbids the improvement of condition. Production is diminished, and the capitalist is enabled to take a *large proportion* thereof as compensation for the use of his capital.§

\* "A long time must elapse before we can enjoy in France a system of credit as extensive as that which exists in England and the United States. We are, in that respect, in a state of barbarism."—*Chevalier, t. II. p. 248.*

† *Documens Statistiques de la France.*

‡ *Ibid.*

§ "It is with the utmost difficulty that a poor German or a Frenchman succeeds in the acquisition of property; his progress is slow and tedious, and his facilities of credit never much in advance of his actual stock in trade. In America, the case is different. Men are there trusted in proportion to their reputation for honesty

The amount of exchanges performed in France is very small. The great mass of the population is engaged in producing the commodities directly required for their own subsistence; and as the quantity produced but little exceeds that which they require for themselves, they have very few exchanges to perform with the shopkeeper. The latter has therefore but few to perform with the manufacturer, as is shown by the exceedingly limited amount of the business of the Bank of France, although performing the chief part of the banking operations of the Kingdom. As a necessary consequence, there should be a very limited amount of bankruptcy. We find, however, that in 1831, the number of bankrupts was 800; in 1835, 329; in 1836, 529. Of the latter, it was stated by the President of the Tribunal of Commerce, that

191 did not exceed 20,000 francs each,

57 " 60,000 "

105 " 200,000 "

20 exceeded 200,000 "

59 statements not made out.

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If we suppose the first class to average 10,000 francs, the second 40,000, the third 130,000, the fourth 300,000, the last 45,000, there will still remain 97 of which we have no account, and if we average them at only 30,000 francs, we shall have an aggregate of 30,000,000 of francs, being about  $\frac{2}{3}$  of one per cent. of the total product of France,\* and probably *one and a half per cent. of the amount of the commodities parted with by the producer in exchange for other commodities needed for his consumption.*†

and adaptation to business. Industry, perseverance, acquaintance with the market, enterprise—in short, every moral qualification of a merchant increases his credit as much as the actual amount of his property."—*Grund. The Americans*, p. 260.

"In a country organized for commerce, and possessing a system of credit, the dollars of the merchant, and the merchandise which he has in store, are not his whole capital; the most essential portion is that which comprises the skill which he has acquired, the relations which he has established, and the value which is attached to his word, constituting a capital which fire cannot destroy, and which can brave all risks of whatever nature. In New York, because of this moral capital, so much valued in countries possessing a genius for commerce, a merchant possessing 200,000 francs, does business to the amount of a million or a million and a half. In Paris, the same man, under the same circumstances, could with difficulty do it to the amount of half a million."—*Chevalier*, t. I. p. 393.

\* The production of France is estimated at from six to eight thousand millions of francs. We have taken seven thousand millions as being nearest the true amount.

† "If, up to the present time, failures are more frequent in the United States than with us, they are as numerous with us as in England."—*Chevalier*, t. I. p. 393.

Here we find that although want of confidence prevents individuals from parting with their property without prompt payment, the bankruptcies bear, nevertheless, *a large proportion to the whole amount of exchanges performed*. How large a proportion they bear to the amount upon which credit is given, may be inferred from the fact, that while the government can borrow at 4 per cent., the owners of capital require from 6 to 15 per cent. on loans to individuals, even on mortgage security, the difference being the charge for collecting the interest, and insuring the repayment of the debt.

In ENGLAND, confidence is *almost* universal. The banker credits the manufacturer and the farmer. They are willing to give credit to the merchant, because they have confidence that he will pay them. He gives credit to the shopkeeper, who, in his turn, gives credit to the labourer. Almost all have it in their power to improve the machinery of production, by the use of the capital of others, who receive interest for its use. The labourer is generally willing to receive the notes of the Bank of England in lieu of coin, and to invest his savings in the savings' banks,\* or to pay them over to some of the numerous friendly societies,† with full confidence that he can have coin for his notes; that his savings will be returned; that the promised aid will be rendered; or that his widow or children will receive the amount for which he has effected insurance.

The consequence of this general confidence of man in his fellow man, is, that there is little disposition to permit capital to remain unproductive—and that the quantity of coin required to perform the exchanges is much smaller than in France.

Immense masses of property change owners without examination, confidence thus producing a great saving of labour. Orders to a vast extent are given with a certainty that they will be executed with perfect good faith, and this system is continued year after year, proving that the confidence was deserved.

Almost every man who possesses capital places it in the bank, or with his banker, who lends it out to those who desire to use it, and those who have commodities are ready to part with them on receiving promise of payment from those who require them.

\* "The number of savings' banks in England and Wales, in 1834, was 401, and the amount invested £13,919,000, = \$66,800,000."—*Porter's Tables, Part III. p. 8.*

† "The number of friendly societies, in 1832, was 17,365."—*Porter's Tables, Part IV. p. 29.*

We have no means of showing the number or extent of the bankruptcies, but they are great. In Manchester, alone, 66 cotton manufacturers failed in the years from 1831 to 1835,\* being an average of more than 13 per annum. One mode of testing the risks of trade is to ascertain the rate of insurance, or the amount of security required. In France, we have found that the bank requires *three endorsers*, and in England we find the Northern and Central Bank requiring *two* names in addition to the drawer,† being a less amount of insurance, and indicating diminution of risk. The losses of banks in their business with individuals will enable us to form a tolerably accurate idea of the punctuality with which contracts are executed in that country—more accurate than could be obtained from any statement of the number or amount of bankruptcies.

It is stated that *of the bills re-discounted in London* for account of the Bank of Manchester, “only 7s. 4d. in every £100” was dishonoured, many of which were afterwards paid,‡ and the smallness of this proportion is adduced and received as indisputable evidence of the prudence and judgment of the directors.§ If we suppose the time to average ninety days, we shall have bills dishonoured to the amount of £1 9s. 4d. (or nearly 1½ per cent.,) per annum, upon the average amount of capital loaned.|| The bills re-discounted are usually those of the best description, and their character is above the average.¶ That such is the case we have evidence in the fact that at the Northern and Central Bank, although requiring, as we have stated, *two endorsers*, the discounted bills on hand, *overdue and unpaid*, fluctuated, during the first 11 months of 1836, between 43 and 95 thousand pounds, while the whole amount of bills varied from 293 to 483 thousand pounds. In the early part of the year, *at a period of the highest prosperity*, the past due bills exceeded 60 thousand pounds, being more than one fifth of all the discounted bills on hand.\*\* At the close of the year, the bills on hand not at maturity amounted to £192,678,

\* Wheeler’s Manchester, p. 244.

† Report of Committee on Joint-Stock Banks, 1836, p. 110.

‡ Ibid. p. 7.

§ Ibid. p. 10.

|| If the average amount of capital lent be one million, and all loans be for a period of 90 days, the total annual amount of loans in the year will be four millions. A loss of one half of one per cent. upon the *amount of loans*, (four millions,) would give a loss of two per cent. *upon the capital*.

¶ “Bankers, in general, do not re-discount bills that are at all doubtful in their estimation; they re-discount bills that they think to be good, and therefore the risk upon their return is not great.”—*Evidence of P. M. James, Report, 1836, p. 54.*

\*\* Report, 1837, Appendix, p. 161.

and the past due bills to £115,703.\* The losses of that institution, in four years, amounted to £160,000,† being an average of £40,000. The capital was £800,000, and if we take its average amount of loans to have been £1,500,000, the losses are  $2\frac{2}{3}$  per cent. per annum upon the capital lent. Large as is this proportion, it was stated before the Committee of Parliament that it was “notorious,” that the institution “had made fewer losses than any other joint-stock bank.”‡ This view is not materially different from that which we obtain from the evidence of Paul Moon James, Esq., for twenty-three years a private banker, and upwards of five years manager of the Birmingham Banking Company. That gentleman states, as the result of his experience, that the losses had not averaged one per cent. upon the *amount of loans*.§ If we suppose them to have been three fourths per cent., it will amount to three per cent. per annum *upon the capital employed*; if we take them at a half per cent., it will give two per cent. as the average loss. That it does not vary materially from this we have evidence in the fact that the average annual loss of the Branches of the Bank of England, from 1828 to 1831, was £12,400, or nearly one and a half per cent. upon the average amount loaned, which was £866,000.||

The average number of private banks, from 1808 to 1818, was 691,¶ and from 1824 to 1827, 765.\*\* Of these the bankruptcies were

From 1809 to 1814, 6 years, 91, being an average of  $15\frac{1}{6}$  per annum.

1815	1820, “	87,	“	“	$14\frac{1}{2}$	“
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1821	1826, “	97,††	“	“	$16\frac{1}{6}$	“
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1827	1830, 4 “	28,	“	“	7	“
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The proportion, in the first period, was	-	-	2.20 per cent.
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do.	do.	second do.	-	-	2.10	“
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do.	do.	third do.	-	-	2.12	“
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do.	do.	fourth do.	-	-	0.92	“
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Exclusive of the above, many others stopped payment that afterwards resumed, and the affairs of some bankrupt concerns were arranged without a commisson. In 1814, 1815, and 1816, no less than 240 stopped, *being more than one third of the whole*

\* Report, 1837, p. 97.

† Ibid. p. 91.

‡ Ibid. p. 48.

§ “In point of fact it has not averaged, within my own experience, one per cent.”—Report, 1836, p. 53.

|| Report on Bank Charter, Appendix, p. 51.

¶ Supplement to Encyclopædia Britannica. Article, Money.

\*\* M'Culloch's Commercial Dictionary, p. 88.

†† Ibid. p. 85.



*number.* This, too, was at a time when they were not required to redeem their notes in specie. It is obvious that the losses of the bankers must be very heavy; but of this we have further evidence in the statements of the Bank of England.

That institution until within a few years has limited its transactions to the city of London, and a very large proportion has been with *the bankers* in and out of the city, to whom it advanced money on the security of the bills which they had previously discounted, the advantage to the latter being that of borrowing at a rate somewhat lower than that at which they had loaned. Here the bank has had the security of *drawer, endorser or endorsers, and banker*, and could lose nothing until all of those parties were ruined. We have no means of ascertaining what is the general proportion its loans to bankers bear to those to individual traders, but in the year 1831 they amounted to 55 per cent. of the whole.\* For many years past there has been a constant increase in the facilities afforded to individuals in doing business directly with the bank, accompanied by an increase in the proportion which their business bears to that of the bankers. It is fair, therefore, to estimate, that during the previous forty years three fourths of the discounts were guaranteed by bankers. As a consequence of this increased guaranty obtained by the Bank of England, we find that, in the 37 years from 1755 to 1831, both inclusive, during which time the average amount of loans on commercial paper was £7,500,000, the average amount of losses was only £31,696, or  $\frac{42}{100}$  of one per cent. upon the capital employed. If we suppose the bills to have averaged three months, the loss has been one tenth of one per cent. upon *the total amount of bills discounted*, whereas the losses by the private banks can hardly be taken at less than one half of one per cent., as proved by the experience of the witnesses examined by the committee, and by the proportion of failures among those institutions. It must be obvious that their losses must be very much heavier than those of the Bank of England, which, upon a very large portion of its business, can sustain none unless the private banker is ruined.

The amount of past due bills held by one of the joint-stock banks in 1836, as above given, bears a small proportion to the amount held on another occasion, by the Bank of England. The average amount of the loans on personal security, of that institution, for September and December, 1825, was £6,900,000, and the amount protested for non-payment, from December 1, 1825,

\* Report on Bank Charter, Appendix, p. 46.

to April 30, 1826, a period of five months, was £208,487, *being about 4½ per cent. of the whole amount of loans.*

In comparing the bankruptcies of England and France, it must always be borne in mind, that although the production of England, with 15 millions of inhabitants, is but little more than equal to that of France, with 33 millions, the *proportion* that is exchanged is vastly greater, and is probably not less than three fourths of the whole, or 200 millions of pounds sterling. The products thus exchanged give rise to an amount of credit operations many times greater than arise in France, and the superior confidence of man in his fellow man, is shown in the fact that the difference between the rate of interest paid by the government, and that paid by individuals, is very small. British stocks pay about 3½ per cent. interest, while tradesmen and farmers obtain loans readily at 5 per cent., showing how small in comparison with France is the charge for the collection of interest, and for insurance of the repayment of the money loaned.

As confidence grows with population and capital, it should be found to a greater extent in Massachusetts, and in New England generally, than in any other part of the UNITED STATES, and gradually diminishing as we pass south and west to those States and Territories in which population is widely scattered, and where the superior soils only are cultivated. Such we shall find to be the case. Following the order of density of population, it should increase as we go from Massachusetts to France, and England, in both of which it should be at a much higher point than in any part of the United States. How far this is the case, we propose to examine.

There are few circumstances connected with the American Union more worthy of remark than the credit system, which extends itself over the whole of their vast territory. The traders of Missouri and Arkansas—of Mississippi and Alabama—of Illinois and Michigan—distant 1000, 1500, or 2000 miles, and returning but once in 12 or 18 months, are supplied with merchandise on credit, and the small difference charged in consideration thereof is evidence of the punctuality with which they fulfil their engagements. Those traders give credit to the farmer, the planter, and the small storekeeper, who in turn grants it to the labourer; and the charge that is made therefor is exceedingly small. As credit is the offspring of confidence, and as no man reposes confidence where he deems it likely to be abused, the existence of this extensive and universal system of credit may be taken as evidence of

a general belief among those who have commodities for sale, that those who desire to obtain them, have the disposition, and will have the means of paying for them, in such manner and at such times as may be agreed upon.\* Desiring, however, to show from actual returns, what is the nature of the operations of the United States, we have collected statements of those of various individuals and institutions, for a quarter of a century, from 1811 to 1836, a period embracing times of *embargo, non-intercourse, war, suspension of specie payments, resumption thereof, change from a state of universal war to one of universal peace*, that period, in short, which has, throughout the world, been attended by the most remarkable changes in the fortunes and prospects of individuals and of nations, which was most likely to exhibit extraordinary losses by individuals, and consequently by banks.

In 1811, the number of banks in Massachusetts was 15. In 1835, it was 106. The average number during that period was 46. The average amount of capital was \$15,406,000. The average amount of deposits on interest, was \$1,600,000. The average loans were \$23,100,000.

If we suppose the whole sum to have been loaned at 6 per cent., the amount of interest has been, per annum, \$1,386,000  
From which deduct 4 per cent. interest upon

the deposits, say	-	-	\$ 64,000	
Deduct also 1 per cent.† tax on the capital,			154,000	
				<hr/>
				218,000
				<hr/>
				\$ 1,168,000

The average dividend for the whole period,  
has been - - - - - \$ 902,000

The reserved profits amount to \$1,175,000

From which are to be deducted

doubtful debts, amounting to	335,000	
		<hr/>
		\$ 840,000

This sum, divided over a period of 25 years,  
gives an average of - - - 34,000

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936,000

Leaving, to cover *all expenses and losses*, - \$ 232,000‡

\* "There is, probably, no other country in which credit is so purely personal as in the United States."—*Grund's Americans*, p. 259.

† At page 110, we have erroneously stated this at one half of one per cent.

‡ This statement is made up from the Schedule of the Condition of the Banks in Massachusetts, published by order of the Senate of that State, January 17, 1838.

Which sum, divided among 46 banks, gives \$ 5000 per annum for each, and an average of one per cent. per annum upon the capital loaned. If we average *the expenses*, including those of circulation, at \$ 3,333, = £ 700 per annum each, we shall have \$ 1,667, = £ 350 for *the losses*, being one third of one per cent. per annum upon the average amount of capital loaned, and one fifth less than is sustained by the Bank of England, which has drawer, endorser, and *banker* for security.

We have been able to obtain from the city of New York a return of but one institution, the Bank of America. During twenty-five years, from July, 1812, to July, 1837, its loans on personal security averaged \$ 2,945,000, and its losses \$ 2820 per annum, being less than one tenth of one per cent. This is not offered as a fair specimen of the losses incurred by the banks generally, but as the only statement that could be obtained. It is probable that the average loss has exceeded that of the banks of Massachusetts. One, the Franklin, failed a few years since, having sunk the whole of its capital.

We have now before us a statement of the operations of one of the largest purchasers of bills on England, from which it appears that in twelve years the amount purchased was nearly 21 millions sterling, and that the loss thereon, in the first eleven years, was less than £ 5000, but that in 1837, in consequence of the great fall in all American products, which caused numerous bills to be returned, there was a loss of £ 83,000, making in the whole £ 88,000, being  $\frac{42}{100}$  of one per cent. upon the whole amount of bills. We have here included the most calamitous year for transactions with Europe, yet the loss does not vary materially from that which took place at the branches of the Bank of England *in ordinary times*. During the first eleven years of this period the amount of *dishonoured bills* was less than £ 2000 per annum, or about  $\frac{1}{3}$  of one per cent. It has been already shown, that *of the bills re-discounted in London* by private and joint-stock banks, 7s. 4d. in every £ 100, or  $\frac{36}{1000}$  of one per cent. was dishonoured—that that amount was deemed very moderate—and that it was received as evidence that an institution had been well conducted. *Of the above 21 millions, three fourths at least were purchased upon the faith of a single name*, whereas, at the Bank of France, *three endorsers* are required for a note of 100 francs.\*

Stephen Girard, of Philadelphia, commenced banking early in

\* See page 237, *ante*.

1812, and died at the end of 1831, having acted as banker for nearly 20 years. The average amount of his loans for that period was about  $2\frac{1}{4}$  millions, and his losses were about \$225,000, being about one half of one per cent. per annum.

One of the incorporated banks of Philadelphia, in the period from 1810 to 1838, twenty-eight years, loaned upon personal security, \$131,816,000, upon which the total amount of loss was \$109,619, being only  $\frac{8}{100}$  of one per cent. If we take the average time of the loans as being 90 days, the average amount loaned out during that period must have been \$1,170,000, with an annual loss of less than \$4,000, or about  $\frac{3.3}{100}$  of one per cent. of the capital.

Another, for a period of 30 years, has had loaned out on personal security, on an average, \$1,950,000. During that period, the total amount of bills unpaid, and charged to profit and loss, has been \$641,000, of which there has been recovered about \$80,000, leaving a loss of \$561,000, being an average of \$18,700, or  $\frac{2.6}{100}$  of one per cent. per annum upon the amount of capital loaned.

During a period of 25 years, the loans of a third, on personal security, have averaged \$2,161,080, upon which there has been incurred a loss of \$704,000, or an annual average of \$28,188, being  $1\frac{1}{2}$  per cent.

A fourth, which commenced operations in July, 1828, has loaned in nine and a half years, on personal security, \$26,301,199, upon which it has suffered losses amounting to \$19,978, or nearly  $\frac{8}{100}$  of one per cent. Estimating the loans at 90 days, the average amount lent out must have been \$700,000, and the average loss \$2,100, being  $\frac{3.0}{100}$  of one per cent. per annum.

We are thus enabled to give a much more full view of the operations of Philadelphia than we could do of those of New York. The average amount of loans of the above named five banks has been \$8,231,080, and the average annual loss has been \$63,988, or  $\frac{7.8}{100}$  of one per cent. This is a higher average, we believe, than would be obtained by extending our examination to all the banks of the city, among which no case of failure has ever occurred.

A comparison of the above results with those given by the private and joint-stock banks of England, tends to show that the risk of loss is less in the United States than in that country. In making this comparison, it is important to remark that the losses of the Northern and Central Bank and others referred to, as well as those of the branches of the Bank of England, took place in a time of high prosperity, whereas those now given are the ave-

rages obtained during a period of a quarter of a century, embracing the terrible period between 1811 and 1820.

We come now to examine the operations of the Bank of the United States. The average amount of the loans by that institution, on personal security, during a period of twenty years, from 1817 to 1837, was \$36,644,790, and the average annual loss was \$223,000, or  $\frac{61}{100}$  of one per cent. The total amount of loss sustained was \$4,469,806, of which three fourths were in the first four years of its existence. That such should have been the case will not appear extraordinary to those who recollect the disordered state of the currency and of trade in the years following the close of the war, throughout the Union, and particularly in the Western States. Of the local banks that it was then attempted to establish in those States, nearly *every one failed*, and the branches of the Bank of the United States suffered heavily. Nearly one fourth of the whole amount of loss took place at those of Ohio and Kentucky. From the year 1820 to 1837, it has not exceeded one fifth of one per cent. per annum upon the capital lent on personal security at the parent institution and its twenty-seven branches.\*

We have already seen that the losses of the Bank of England amount to  $\frac{42}{100}$  of one per cent., notwithstanding the guaranty of *drawer, endorser, and banker*. Had the loans of the Bank of the United States been guarantied in like manner by other banks, it may safely be assumed that the losses would not have exceeded  $\frac{1}{10}$  part of one per cent. Not being so guarantied, to have suffered a loss of only  $\frac{61}{100}$  of one per cent. indicates a higher degree of security in banking operations throughout the Union than exists in London itself.

In comparing the two institutions, it is important to observe how great is the difference between one transacting its business in London, that great centre of trade, and another having numerous branches scattered over the vast territory of the United States. Credit should be higher and punctuality should be greater in that city than in Boston, New York, or Philadelphia; and if so, how vastly greater should it be than in Pittsburg, Cincinnati, or St. Louis. We have already seen, that while the losses of the

\* Since the above was written we have seen a report upon the Branch at Pittsburg, made up to June, 1838, (including of course the tremendous revulsion of 1836-7,) from which it appears that in seventeen years the losses were not \$500, and also that at the date of the report, out of \$1,070,000 of bills held, there was not one under protest.

mother Bank are only  $\frac{42}{100}$  of one per cent., those of the branches are  $1\frac{1}{2}$  per cent., and we should, of course, find the same result in the United States, as we pass from the dense population of Massachusetts, with their commercial habits, to the scattered population of Mississippi and Missouri; and this with some exceptions is the case. At the branch in Boston the whole amount of loss was \$75,206. At that of Providence, Rhode Island, doing business generally to the amount of nearly two millions, the *total loss* at the closing of the institution, was only \$3,797, being an average of less than \$200 per annum, or only the one hundredth part of one per cent.\* Passing south and west we find generally an increase in the proportion of losses; and thus at the two offices of Norfolk and Richmond, doing a smaller business than that of Providence, they were \$486,514—at Charleston, \$250,000—at Louisville and Lexington, \$556,000. At St. Louis, on the other hand, the whole amount of loss was \$263. At Mobile, \$620—and at Natchez, nothing!

A Bank, having twenty-seven branches dispersed throughout the Union, has thus carried on business with a loss little greater than that of the Bank of England, in London, and with only two fifths of that incurred at its branches. When it is recollected that a large portion of the capital has been managed by directors who had little or no interest in the institution, we think it will be taken as evidence that the credit system of the United States at large is better than that of England at large.†

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There exist in the United States, [1838,] 677 banks, with a capital of 378 millions of dollars. Of these, 33 are in the distant States of Ohio, Kentucky, Tennessee, and Mississippi, with a capital of 90 millions, *owned chiefly by the capitalists of New York, Philadelphia, or Boston*, who thus place it at a distance from them and out of their immediate control, hoping to secure seven or eight per cent. per annum, while *the best securities* at home yield them five per cent. At the same time the capitalists of Europe

\* For many years not a single note remained unpaid. At length there was one amounting to \$100, and the directors paid it themselves, rather than permit it to remain on the books.

† In two years and eleven months the *Leeds branch* of the Northern and Central Bank lost £40,000, the *Nottingham branch* £12,000, and the *Sheffield branch* from £12,000 to £14,000, the average loss being above £20,000 per annum, and more than the average losses of *all the banks in Massachusetts for 25 years*, and more than those of the Bank of the United States during a large portion of its existence, when its loans on personal security were from fifty to sixty millions of dollars.

place their funds under the control of the directors of the banks of Boston, New York, and Philadelphia.\*

The following table shows the manner in which those institutions increased in number from 1811 to 1830.

\* In the division of labour which takes place with the increase of population and of capital, the trade in money gradually separates itself from others, as does that in sugars or cloths; but if any one attempt prematurely to confine himself to dealing in money, or in cloths, or sugars, he will find that his expenses will eat up his profits. The *rate of profit* is already fixed by his neighbours, who deal in various commodities, and he cannot demand a larger *proportion* than they do. In a new settlement, if a shopkeeper undertook to confine his operations to buying and selling wheat or flour, the quantity to be exchanged would be so small that it would be necessary for him to take 15, or 20, or perhaps 50 per cent. of the commodities passing through his hands, to enable him to live, whereas his neighbours, who bought and sold provisions, wool, and other articles, could do the same business for one half. If he attempted to increase his business by importing a quantity of wheat, he would find that he had more than would be purchased by those possessing the means and the ability to pay him, and he would be obliged to choose between keeping it on hand to be spoiled, or selling it to those who probably would never pay for it. In either case he would probably be ruined. In like manner, a man who undertakes prematurely to deal in money finds that his neighbours have but little to lend, and that he cannot live by his trade unless he can have a large commission. To increase his business, he obtains a supply of capital from abroad, in hopes to make considerable profit by lending it out; but he soon finds that he cannot safely do so—that although he might advantageously place \$10,000, he cannot place \$50,000 without incurring great risk. He has, however, agreed to pay interest, and if he cannot lend his capital, he will be ruined by the operation. He therefore risks it in the hands of those who have no immediate use for it, and the consequence is a rise of prices, or, in other words, a fall in the value of money. The borrowers commence speculations which end in the ruin of themselves and the money dealer. Every premature attempt at extending the division of labour is attended by similar results.

Most governments, and among others those of the United States, have undertaken to determine who shall, and who shall not trade in money. The existence of these restrictions has tended to induce a belief that much profit was to be realized from that trade, and whenever there has been a disposition to remove the restrictions, there has existed an almost universal disposition to rush blindly into it, establishing banks wherever they were *permitted*, without attending to the fact, that lenders *and* borrowers are essential to the existence of such institutions. They have been created where only borrowers could be found, and where only very small amounts could be profitably used. Capital has been introduced from a distance, to the injury of both lender and borrower, and the result has been the ruin of all the parties concerned, precisely as men are ruined who attempt prematurely to establish manufactures, or to commence mining operations.

Whenever restrictions of any kind have existed and are suddenly removed, the results are the same. South America was abundantly supplied with warming pans and blankets when its trade was thrown open, and the consequence of the wild speculations of the day was immense loss. The removal of the restraints upon the formation of joint-stock banks in England was attended with results somewhat similar. In order that men should make a judicious use of freedom it is necessary that they should have been *accustomed to feel free*.



	1811.		1816.		1820.		1830.	
	No. of Banks.	Capital.	No. of Banks.	Capital.	No. of Banks.	Capital.	No. of Banks.	Capital.
Massachusetts,	15	6,292,144	26	11,650,000	28	10,485,700	66	20,420,000
Maine,	6	1,250,000	14	1,860,000	15	1,654,900	18	2,050,000
New Hampshire,	8	815,250	10	998,000	10	1,005,276	18	1,791,670
Vermont,					1	44,955	10	432,625
Rhode Island,	13	1,917,000	16	2,317,320	30	2,982,026	47	6,118,397
Connecticut,	5	1,933,000	10	4,017,575	8	3,689,337	13	4,485,117
New York,	8	7,522,000	27	18,766,756	33	18,562,774	37	20,083,353
New Jersey,	3	739,000	11	2,072,115	14	2,130,949	18	2,017,009
Pennsylvania,	4	6,153,050	43	15,384,597	36	14,681,780	33	14,610,333
Delaware,			5	974,500	6	974,900	6	1,000,000
Maryland,	6	4,895,202	20	8,406,782	14	6,708,131	13	6,250,495
Dist. of Columbia,	4	2,341,395	10	4,294,013	13	5,525,319	9	3,875,794
Virginia,	1	1,500,000	12	4,512,173	4	5,212,192	4	5,571,100
North Carolina,	3	1,576,600	3	2,776,600	3	2,964,887	3	3,195,000
South Carolina,	4	3,475,000	5	3,832,758	5	4,475,000	5	4,631,000
Georgia,	1	210,000	3	1,502,600	4	3,401,510	9	4,203,029
Alabama,					3	469,112	2	643,503
Mississippi,			1	100,000	1	900,000	1	950,000
Louisiana,	1	754,000	3	1,422,300	4	2,527,420	4	5,665,980
Tennessee,	1	100,000	4	1,815,281	8	2,119,782	1	737,817
Kentucky,	1	240,460	2	2,057,000	42	8,807,341		
Ohio,	4	895,000	21	2,061,927	20	1,797,403	11	1,454,386
Indiana,					2	202,857		
Illinois,					2	140,900		
Missouri,					1	250,000		
Total,	88	42,609,101	246	89,822,297	307	101,714,551	328	110,186,608

Having shown the nature of the transactions of the community with the banks, we offer the above with a view to show what has been the nature of those of the banks with the people, and what has been the proportion of loss sustained by failures among them. In doing this, we shall generally rely upon the statement furnished by Mr. Gallatin in 1830,\* adding thereto the failures from that time to 1836, thereby completing a period of a quarter of a century, embracing embargo, war, suspension and resumption of specie payments, the revulsion which followed the close of the war in Europe, the speculation of 1825, &c.

The average number of banks in Massachusetts, from 1811 to 1830,† was 34, and the average capital above 12 millions. The

\* Considerations on the Currency and Banking System of the United States.

† We have in every case taken the average number of banks from 1811 to 1830, instead of that from 1811 to 1836, which would have caused a great decrease in the proportion which the failures would bear to the whole. We have done so because we were not desirous of diminishing the ratio of loss. The average number of banks in Massachusetts, from 1811 to 1836, was forty-eight, and the failures in the same period having been five, the proportion would be only 42-100 of one per cent. per annum.

failures to 1836, were five\* in number, or about  $\frac{5}{100}$  of one per cent. per annum. The capitals amounted to \$700,000, but nearly all their debts were paid, the total amount of outstanding claims upon two of them having been, at the date of the last published returns, only \$19,878. A third paid off all its debts, and another it is believed did the same; and of the last, the amount of bills outstanding at the time of its stoppage, was only \$27,000. If we estimate the total loss at \$50,000, it will be a large allowance, and will give less than *five dollars in every million, or the two thousandth part of one per cent.* of the transactions that were facilitated by the existence of such institutions, and by the substitution of bank notes for a metallic currency.

This estimate is based upon the supposition that the capital of a bank performs in a year only forty operations. That this is below the truth will be obvious to the reader from the following statement. If lent for ninety days, and then repaid, we have annually eight operations. If it changed hands, either by loan and repayment, or by the purchase and sale of commodities, only two and a half times in each period of ninety days, it would produce the number of operations we have stated, in every one of which the saving of labour afforded by the use of bank notes and checks, instead of gold and silver, would be material. Instead of changing two and a half times in every ninety days, it is probable that it would do so at least a dozen times in that period, which would give, during a period of twenty-five years, a loss of one dollar and a quarter in every million of transactions, in the performance of which labour had been saved.†

The average number of banks in Rhode Island, in the same period, was 27, with capitals exceeding three millions. The failures have been two,‡ giving an annual average of  $\frac{3}{100}$  of one per cent. Their capitals amounted to \$50,000. The proportion of loss cannot vary materially from that of Massachusetts.

\* Mr. Gallatin gives six as the number, with capitals amounting to \$850,000. The Bedford Bank, however, did not fail. It closed its business under a law for that purpose, and divided its capital.

† We have made inquiry at one bank in Philadelphia, and find that the daily exchanges performed at its counter, amount, on an average, to one fourth of its capital, and annually to eighty times its capital. If to this we add the exchanges facilitated by the circulation of its notes and drafts among the community, we shall find that this view is correct.

‡ The Burrilville and the Scituate banks. Mr. Gallatin includes the Farmers' Exchange Bank, which failed in 1809, and was, it is believed, the first bank that failed in New England. He mentions also the Farmers and Mechanics', which we believe is a mistake.

The average number of banks in Maine has been  $13\frac{1}{2}$ . The charters of three expired in 1812, and were not renewed. They paid their debts, and were discontinued. The *failures* are five in number, being an annual average of  $1\frac{1}{2}$  per cent. The average capital has been \$1,700,000, and that of the banks which have failed was \$500,000, or  $1\frac{1}{2}$  per cent. per annum.

In New Hampshire, the average has been  $11\frac{1}{2}$ , and the failures have been two, or about two thirds of one per cent. per annum. The average capital has been \$1,150,000, and the failures \$129,600, being less than one half of one per cent. The amount of loss sustained by the creditors of the banks of Maine and of New Hampshire we have no means of ascertaining, but it is obvious that the per centage must be exceedingly small.

In Vermont, no failure has taken place.

In Connecticut, the banks have averaged nine in number. The failures have been two, or somewhat less than one per cent. per annum. The capitals have averaged \$3,500,000, and those of the two institutions which failed amounted to \$600,000, being about two thirds of one per cent. per annum.

The average number of banks in the above six States, constituting New England, from 1811 to 1830, was 97, and the whole number of failures in 25 years was 16, being two thirds of one per cent. per annum. The average capital was about \$22,000,000. The capitals of those which have failed, were about \$2,000,000, giving about  $\frac{36}{1000}$  of one per cent. per annum. The whole loss sustained by the community cannot have much exceeded \$500,000,\* being an annual average of \$20,000, or  $\frac{1}{11}$  of one per cent. of the capitals of the banks, and probably about  $\frac{1}{1000}$  of one per cent. of the operations facilitated by those institutions. If this estimate be correct, the risk attendant upon transactions with the banks in New England, for a period of above a quarter of a century, has averaged one dollar in every one hundred thousand. If we exclude Connecticut, in which one failure was attended with great fraud, productive of considerable loss, it has not exceeded one dollar in a million.

In New York, the banks have averaged 26 in number, and there have been 11 failures, being an annual average of  $1\frac{1}{2}$  per cent. The capital has averaged 16 millions, and that of the institutions which have failed, was about  $3\frac{1}{2}$  millions, being about seven

\* The Eagle Bank of New Haven owed, in 1827, after its failure, above \$800,000. What portion of this was paid we do not know. All the losses sustained in New England, in the period referred to, excluding this bank, have been trivial in amount.

eighths of one per cent. per annum. The losses, however, as in Massachusetts, fell generally upon the stockholders, and not upon their creditors. But two failures took place between 1825 and 1837, so that in that period the annual average was less than one half of one per cent. upon the number that existed in 1830. One of them paid all its debts, and there was no loss except that of the stockholders. The loss by the other was, we believe, small. In that time, the risk of loss in trading with a bank, or in using a bank note, could not be taken to exceed five dollars in every million, and probably, as we have stated in relation to Massachusetts, not more than a single dollar in every million of transactions the performance of which has been aided by the existence of those institutions.

In New Jersey, they have averaged nearly 12, and there have been 10 failures, being an annual average of 3 per cent.

In Pennsylvania, the average has been 29, and the failures have been 19 in number, being an average of  $2\frac{1}{2}$  per cent. per annum. Almost all of these, however, took place in the period immediately following the close of the war, and but three, all of trifling amount, occurred in the period from 1820 to 1837. The average capital of the State banks, from 1811 to 1830, was 15 millions, and the capital of those which failed, from 1811 to 1836, was two millions, being one half per cent. per annum. The chief part of them paid their debts in full, and the whole amount of loss by their creditors cannot, it is believed, have exceeded 250 or 300 thousand dollars.

The average number of banks, in the above mentioned nine States, from 1811 to 1830, was 163. The whole number of failures was 56, being an average of  $2\frac{1}{4}$  per annum, or  $1\frac{3}{4}$  per cent. The average capital was 55 millions, to which must be added one half of that of the Bank of the United States,\* making a total of 72 millions. The capitals of the institutions which failed were 10 millions, giving an annual average of little more than one half of one per cent. It is exceedingly difficult to ascertain the precise period at which some of these failures took place, but we believe that in the years from 1822 to 1837, their amount did not exceed \$2,000,000, giving an annual average of about \$133,000, or \$1800 to every million of capital. The utmost loss sustained by those who have dealt with the bankrupt banks, or who have held their notes, *during the whole period*, cannot be estimated above two millions, and it is probably not one half of

\* But about one half of the capital of the Bank of the United States was employed in those States.

that amount. Assuming it, however, at that sum, it is not more than  $\frac{1}{10000}$  part of one per cent. upon the transactions of individuals with those institutions, in the form of deposits, drafts, notes, &c., and would give a risk of one dollar in every \$100,000. *In the last fifteen years of the period it has not exceeded two dollars in a million, and has probably been less than a single one.*

We are disposed to believe that in no country has so great a mass of transactions been carried on in a manner so advantageous to the community, and with so small an amount of loss, and that the rate of insurance upon the debts of individuals to banks, or of banks to individuals, is consequently lower than in any other part of the world.

Passing to the south and west, we find at every step, with diminished density of population, increase of risk. In the States south of Pennsylvania and of the Ohio river, there have been 84 failures, and in those west of Pennsylvania 27. Nearly the whole of these resulted, as did all those of Pennsylvania itself, from the premature attempt to establish shops for buying and selling money, in regions where all desired to buy and none had any to sell. The consequences were what might have been anticipated. After fruitless attempts to establish themselves in business, they stopped payment, precisely as would be done by men who attempted any other pursuit before the community was prepared for it. The whole number of failures in 25 years was 167, of which 130 were south and west of New York, and almost, if not quite every one may be traced to this cause. The average number of banks in existence in that time was 242, and the average of failures was  $2\frac{3}{4}$  per cent., being but little more than the average bankruptcies of the private bankers of England between 1821 and 1826, a period in which there was no extraordinary occurrence—no change from war to peace—or from peace to war—to produce insecurity or loss. *From the first institution of banks in America, to the year 1837, the failures have been less, by about one fourth, than those of England in the three years 1814, 1815, and 1816, and the amount of loss sustained by the public bears probably a still smaller proportion to the amount of business transactions.*

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We have seen that in Massachusetts and Rhode Island the proportion of loss is least, and that it gradually increases as we pass from the closely peopled States of New England to the scattered settlements of the west and south-west. In passing from Massachusetts to France, and thence to England, we should find a higher degree of confidence, accompanied by a smaller proportion

of loss, yet such is not the case. In both, the losses are greater, and the confidence of man in his fellow man is smaller than in that State, where it is deservedly greater than in any other part of the world. Individuals in Great Britain enjoy as high a degree of credit as can possibly exist, but confidence is more universal in the United States.\* Every man in the community receives bank notes,† and those which are payable at places distant five hundred or a thousand miles, pass from hand to hand, and from bank to bank, without difficulty. Those who, residing in Massachusetts, New York, or Pennsylvania, desire to invest their capital, to obtain eight or nine per cent., place it in Mississippi, or Louisiana, or Tennessee, without apprehension.

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The revenue of the United States from imports, from 1789 to 1827, amounted to \$475,000,000. During two thirds of that period, their ships were plundered at sea, burnt, or confiscated, by both of the belligerents, to the entire ruin of a large portion of their owners, whose bonds were held by the United States as security for the payment of duties, the credit upon which was from three months to three years. Under such circumstances, it would be reasonable to suppose that the losses would be heavy. At the close of 1827, the whole amount remaining unpaid was \$4,369,617, of which \$434,000 was deemed recoverable, leaving the total loss short of \$4,000,000, or less than five sixths of one per cent.

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In consequence of the facility afforded by joint-stock banks for employing productively small amounts of capital, the inducements to place money in savings' banks, and in life insurances, is much less than in England. Nevertheless, both exist throughout the Union; and they are found in greatest number where population is most dense, and labour most productive. In Massachusetts,

\* "Here, any man who offers the guarantee of good morals is sure to obtain credit, and then it depends upon himself alone to acquire fortune."—*Chevalier, t. I. p. 64.*

† "The Americans have the utmost faith in paper money. It is not a blind confidence, for if we have had our *assignats*, they have had their continental money; and it would not be necessary to retrace their history far to find the banks failing, *en masse*. It is a confidence founded upon reason—a courage the result of reflection."—*Chevalier, t. II. p. 247.*

The adoption of the same measures by which it has been attempted in the United States to drive bank notes out of circulation, would have ruined the Banks of England and of France. Nothing could have prevented the ruin of those of the United States but the general confidence of man in his fellow man.

there are 32 savings' banks, with a capital of \$4,781,426. In New York, there were, in 1836, 11, with deposits amounting to \$4,831,613. In Pennsylvania, the number is less than in New York. That of Philadelphia has deposits to the amount of \$1,200,000. In Maryland, we believe there is only one, that of Baltimore, having deposits amounting to \$887,522.

Immense masses of property pass from hand to hand without examination, and in a million and a half bales of cotton now annually packed, frauds are of exceedingly rare occurrence. It is an evidence of the great improvement that has taken place in morals, with the increase of population, that the commodities formerly produced for exportation, as pork, flour, and tobacco, were then subjected to inspection laws, which still remain to impede the course of trade; whereas, cotton, more recently introduced, has never been subjected to such restraint, and experience has proved that no necessity existed for it. In the conduct of trade with foreign nations, we find a state of affairs very different from that described by M. Chevalier in relation to that of France.

M. De Beaumont says, that *almost all Americans have failed more or less frequently*,\* and in so saying, but repeats what is not unfrequently asserted in Europe. M. De Tocqueville says, "the Americans are often shipwrecked, but no trader crosses the seas so rapidly."† The rate of insurance fixes the risk of loss, and where we find, as is the case, that an American ship *to Canton and back* can be insured for  $2\frac{1}{2}$  to  $3\frac{1}{2}$  per cent.; that the premium on an English ship is 4 to 5 per cent.; and that a French ship,

\* "All the Americans being engaged in business, and most of them having more or less frequently *failed*, it follows that to be a bankrupt is nothing. An offence of which so many are guilty ceases to be one. The indulgence for bankrupts springs, then, from the commonness of the misfortune; but its principal cause is the facility with which men there rise from such a fall. If the bankrupt were lost for ever, he would be abandoned to his misery; people are more lenient when they know that he will recover himself. This is not a very generous feeling, but it is human nature." M. De Beaumont might readily have found another mode of accounting for the indulgence observed. Whenever men easily acquire the means of living, they are lenient to those who are indebted to them. When the means of living are obtained with difficulty, the reverse is the case. The creditor of England is more lenient than that of France, and that of the United States is more so than either.

"Society says to the poor man in America, 'labour! \* \* \* And if business should be against you, and you should fall, you will speedily rise again, for here failure is considered as a wound received in battle; it will not cause you to lose esteem or confidence, *provided you have been always temperate and regular, a good Christian, and a faithful husband.*'"—Chevalier t. II. p. 112.

† Democracy in America, Vol. II. p. 439.



*for the single voyage out to Canton, cannot be insured at less than 3 to 3½ per cent.,\** we may feel satisfied, notwithstanding M. De Tocqueville's impression to the contrary, that if American ships are more rapid they are also more safe than those of other nations. A similar examination of the credit system of the several countries establishes, we think, the same results as regards the disposition to comply with contracts.

A traveller who, on arriving in Lima from Europe, and finding all the houses of one story, should thence conclude that it was safer to reside in them than in a house of six stories in London, would commit the same mistake as a writer, who, seeing the small amount of credit in France, and the small average amount and time of the notes discounted at the Bank, should infer that there was less risk than in the United States, where the average amount is so much greater, and the time so much longer. Had the people of Lima not experienced numerous earthquakes, they might now build houses of six stories; and had the people of France enjoyed security of person and property, their production would now be *three* times as great, and their merchants would transact business on a scale *five* times as great, as there would be fewer traders, and more exchanges to be performed.

*The existence of the credit system is evidence of mutual confidence, and that confidence results from the knowledge which each man has of the conduct and disposition of his neighbour.† Where property is most secure labour will be most productively applied‡—*

\* *Prix Courant du Havre, 5 Mars, 1836.*

† In nothing is the beneficial effect arising out of a general state of ease and security more fully shown, than in the conduct of men towards their fellow men in cases of misfortune, such as is given in the following passage from M. Chevalier, describing the effects of the great fire at New York.

"At the first news of the fire there was not a merchant in Europe who did not tremble for his American debtors, for in Europe, and particularly in France, if a similar circumstance had occurred, the people who had been injured would have been deprived of all credit, and of every means of repairing their misfortunes. *In France, if you want credit, you cannot obtain it, but if you do not want it, it is offered to you.* In the United States, on the contrary, we see that immediately after the fire, the President of the Bank of the United States repaired to New York, and placed 11 millions of francs at the disposal of New York, and the banks in general determined to discount in preference the paper of those who had suffered by it.

\* \* The result of this admirable disposition was, that no failure of any considerable amount occurred."—*Tom. I. p. 391.*

‡ Property is secure where its owner enjoys the right of using it in such manner as he deems likely best to promote his great object of maintaining and improving his condition. It is insecure where he is denied the exercise of that right.

We have already shown that, before the revolution, it was held in FRANCE that the *right to labour* was a royal privilege, which a sovereign might sell, and which



*the power to accumulate capital will be greatest—and the tendency to moral and physical improvement will be most rapid. Where such is the case, confidence will be most universal, and the existence of that confidence may be taken as evidence of a general disposition to comply with engagements. Where it is greatest the insurance on debts will be least. Such is the case in the United States.*

That it should be so is most natural. Where good conduct insures to the workman the power to obtain the aid of capital, by which his labour is rendered more productive and he is enabled to improve his condition, he has the strongest inducements thereto; but where capital is scarce, and where the best conduct will not have that effect, the inducement does not exist. Were the people of France to abstain from war; were they to reduce their army; were they to *permit* capital to increase, every day would bring with it new inducements for exertion and for good conduct on the part of the workmen, who would desire to show themselves worthy of confidence; and the credit system would gradually extend itself throughout society, with constant advantage to the community at large—to both labourers and capitalists.

*his subjects must purchase.\** In accordance with this doctrine individuals obtained grants of the permission to apply their labour and capital to the manufacture of various commodities. What they previously possessed as a *right*, was thus, by the will of the sovereign, converted into a *privilege*, for which a high price was paid. In order to induce the payment of such prices, the number of persons permitted to follow certain trades was limited, and thus was granted to them a *monopoly*, enabling them to tax their fellow subjects. In England, similar restraints existed, and monopolies were frequently granted to the favourites of the sovereign, or in reward of public services.

With the increase of population and of capital, we observe a constantly increasing disposition to combine exertions for the attainment of any given object. In the infancy of society men associate for the maintenance of security. Another step in their progress shows associations for the purposes of commerce, and in the most advanced stages of society we find them associating for the construction of roads, canals, and bridges—for the erection of theatres, hotels, and club-houses—and for the working of mines, or the fitting out of steam ships. We may therefore assume that a tendency thereto is natural to man, and that where he is permitted to indulge it, he is most likely to attain the object that he seeks. To deny him the exercise of that right is an infringement of the rights of person.

In a country in which the *right* to labour was converted into a *privilege* held of the sovereign, it is not extraordinary that *the right* of the people to associate together, for the purpose of rendering labour more productive, should also be converted into a source of power and emolument to those who could grant permission to exercise it. Such was the case in both England and France, and thus this right, which

hibitions to associate for the purpose of trading in coal\*—for effecting marine insurances†—for banking‡—for the formation of any species of company having a transferable stock, &c.§

While the people at large were thus forbidden to associate for certain purposes, or to transfer their property from one to another in such way as they might deem most advantageous, certain persons obtained grants of power to exercise the rights thus forbidden to be exercised by others, and the Bank of England, the Royal Exchange Assurance Company, the East India Company, the Levant Company, &c., were organized under charters in which the parties interested were authorized to trade with others who were willing to do business with them with the understanding that the joint funds alone were liable for the performance of their engagements.

The capitalist of England was thus denied the right of investing his means in such way as he deemed most advantageous. He might purchase land—or he might become a manufacturer—or he was permitted to become a member of a banking house, provided the number of partners did not exceed six—or if indisposed to any of these modes of employing his capital, he might lend it out on mortgage, attended with the inconvenience of probable delay in the return—or he might lend it to the government, at a low rate of interest, or to a private banker, with the risk of total loss,|| but he was not at liberty to unite with his friends and neighbours in establishing an office under the control of an agent selected by themselves, at which they might trade with such as might desire to borrow or lend upon personal security.

The impolicy of some of these monopolies having become manifest, the legislature, a few years since, abolished some of the restrictions upon the trade of banking. Unfortunately, however, they were not sensible of the absurdity of all restraints, nor aware that men can always manage their own business better than governments can do it for them, and therefore, although permission was granted

\* "With the view of suppressing societies amongst coal buyers, and thereby of keeping the coal trade open and free, a partnership composed of more than five persons, for the purchasing of coals for sale, or for making regulations with respect to the manner of carrying on the trade, is by a legislative provision rendered illegal."—*Gow on Partnership*, p. 30.

† In the case of marine insurances, the right of jointly assuring any ship, or goods, at or going to sea, was prohibited, (except in the instances of the *Royal Exchange* and *London Assurance Companies*, upon whom, in consideration of a compensation made by them to the public, an exclusive monopoly in this respect was conferred,) and the *policies of assurance effected by underwriters having a joint interest, were not only declared to be, ipso facto, void, but every sum underwritten was forfeited in equal moieties—one to the king, the other to the informer.*—*Ibid.*

‡ The year 1708 is chiefly memorable in the history of the Bank, for the act that was then passed, which declared that during the continuance of the corporation of the Bank of England, "it should not be lawful for any body politic, erected or to be erected, other than the said governor and company of the Bank of England, or for other persons whatsoever, united or to be united in covenants or partnerships exceeding the number of six persons, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money on their bills or notes, payable on demand, or in any less time than six months from the borrowing thereof."—*M'Culloch, Dictionary of Commerce*, p. 66.

§ Lord Ellenborough was of opinion that it might "admit of a doubt, whether the mere raising transferable stock is in any case, *per se*, an offence against the act."—*Gow on Partnership*, p. 37.

|| "The numerous failures that have taken place among them have, by generating a feeling of insecurity in the minds of the depositors, confined this branch of their business within comparatively narrow limits."—*M'Culloch, Dictionary of Commerce*, p. 85.

within certain limits. to associate for the purpose, they were expressly restrained from contracting engagements on the principle of limited liability, even although those who traded with them might be willing to do so on that footing. The owner of capital may now, in addition to the above mentioned modes of investment, place his funds in a joint-stock bank, in which any share, however small, involves the risk of his whole fortune for a period of three years after he shall have ceased to hold it. Thus, if he purchase an interest on the first of January, 1836, and sell it on the next day, or in a month thereafter, his whole property is liable until January, 1839.

The idea of limited liability is commonly associated with that of *monopoly*, in consequence of the enjoyment of the right thus to trade having been restricted to a few persons, and it has been denounced by many writers on political economy, who have contended strenuously for the system of perfect or *unlimited* liability. The maxim, however, that should govern the political economist is "*laissez faire*," and when he finds men, animated by the desire of improving their condition, frequently adopting a certain mode of operation, he may be sure that there must be good reason for it, although it may not at the moment be obvious to him. One of the first objects for the promotion of which men associate themselves together, is that of government. They desire security for themselves and are willing that others shall enjoy it. Here we find them adopting the principle of limited liability. Every man is bound to contribute his share, and *his share only*, to the payment of the expenses incident to the maintenance of security. Were it otherwise—were the whole property of a single individual liable to be taken for that purpose—*there would be no security*. No man would transfer himself from Europe to the United States, if he were not certain that his property was secure against being seized for the support of government—did he not feel confident that the payment of his proportion would exempt him from further liability.

We find the same principle introduced into associations for mutual insurance against the dangers of fire and water, proving that such limitation of liability naturally arises in the course of the operations of men desirous of improving their condition. We find it universally adopted by men who associate for any purpose, when left free to select their own mode of action.\* In this manner were formed

\* The *corn banks* of Norway are the most primitive institutions of this description, of which we have any knowledge. Owing to the restraints upon the employment of capital in that country, there are no stores or places of exchange at which the farmer can dispose of his surplus grain; nor, consequently, are there any places at which those whose supply is deficient can purchase it. To remedy this difficulty the farmers have associated themselves for the establishment of banks, at which corn is received on deposit, and lent out on interest.—See *Laing's Norway*, p. 256. The depositors receive interest at the rate of one eighth, and the borrowers pay at the rate of one fourth, the difference being appropriated to defray the expenses of management.

Even here the principle of limited liability must obtain. The profit, if any there be after paying the expenses, is the property of the community, in the ratio of their interests. The debt, if any arise, must be the debt of the community. If from carelessness or mismanagement the wheat deposited by any certain persons be destroyed, they must be entitled to remedy somewhere. They are partners as regards profit or loss, but in the capacity of depositors they are as much separated from the community as is the person intrusted with the property, by whom a suit might be brought for his wages. Under the system of unlimited liability any depositor, on failure of the fund, might commence suit against any other member of the association, and compel him to make up the deficiency. It is obvious that no one would incur such a risk, however he might be disposed to associate with his neighbours with an understanding that in case of deficiency each man should be assessed, *in proportion to his interest*, to make it up. Here would be limited liability and justice. On the other hand would be unlimited liability and injustice.

some of the earliest insurance offices in the United States—several of the early banks—and there are now a few institutions trading under such agreements. We may suppose that the persons thus investing their capital, and those doing business with them, understand their own interests, and that those interests will be best promoted by non-interference on the part of the community. The right of associating having, however, been made the subject of regulation, and that of forming companies with transferable stock having been denied to all except a few favoured individuals, it has been deemed the duty of courts of justice, wherever possible, to discourage association, and to prevent trading on the system of limited liability. The consequence has been to produce a feeling of insecurity in regard to the formation of such associations, because it is known that, in case of suit, a court will set the limitation aside wherever it may be possible, thus changing the arrangements between the parties to a contract, *to the entire destruction of security.*

Every measure tending to limit liability tended to establish the right of the people to determine for themselves in what way they would trade together, while the opposite course tended to increase the power of the sovereign, who was thus enabled to confer upon a few as a privilege, that which should have been possessed as a right by all, and therefore the courts of law omitted no opportunity of enforcing the doctrine of unlimited liability.

Acts of incorporation, instead of being *grants of privileges*, are merely *grants of a right*, the exercise of which has been forbidden for purposes of monopoly. *The security of property has been impaired, by forbidding its owners to use it in the manner they deemed most advantageous, in order that the exercise of that right might be deemed a privilege, and paid for accordingly, and therefore it is that men have been and still are compelled to apply to a sovereign or a legislature for permission so to do.* This interdiction is in perfect accordance with the system of monopoly, restriction, and exclusion that has existed in past times. With the increase of population and of wealth, and with the improved modes of thinking of modern times, we find a disposition to remove restraints of all kinds upon trade and commerce, by the reduction of tariffs; by the abrogation of navigation laws; and by the liberal grant of *dispensations from the restrictions imposed in former times upon associating for the purpose of trading upon such terms—whether of limited or unlimited liability—as the parties selling and buying, giving and receiving credit, may deem most beneficial.*

In England, as yet, the only change is that of abolishing restrictions upon association. Joint-stock banks may now be formed, but the capitalist finds himself restrained by a law which *expressly denies to him the right of trading with others on any footing but that of unlimited liability*; he finds himself embarrassed by laws regulating partnerships; and he learns that let the deed of partnership be framed “ever so skilfully”—let the clauses be “ever so minute”—“if any one of the shareholders disputes the facts which must be connected with any operation” coming within certain clauses, he is “still as much at sea as if the deed were badly prepared.”\*

The following statement of the difficulties attendant upon the working of the joint-stock banking system, will satisfy the reader that the machinery is of a very clumsy kind, and attended with risks that should prevent prudent men from engaging in it.

“If A, B, C, and D, are joined in a trading partnership carrying on business, say under the firm of A, B, and Co., either A, B, C, or D, may accept bills, or sign other documents binding the whole firm. A joint-stock bank, being only an extended partnership, it is a matter of doubt whether any single partner of the five

\* Evidence of P. Mahony before Committee of House of Commons, 1837, p. 241.

hundred or a thousand partners of which it may consist, has not the power of accepting bills, or signing instruments, that shall bind the whole bank. Surely the want of a declaratory statute on such a point as this, is a serious defect in our laws.

"If A, B, C, and D, are carrying on business in partnership, and a bill bearing their endorsement be dishonoured, notice of the dishonour may be served upon any of the partners, the law holding that notice to one partner is notice to all. Hence arises another difficulty. If notice of the dishonour of a bill be given to one of the five hundred in a thousand partners of a joint-stock bank, it is doubtful whether it would not be held to be legal notice to the bank, although the partner served with notice might reside at a distance of a hundred miles from the place where the bank carried on its business. This point, we need hardly remark, is of great importance to banks that re-issue, or re-discount the bills they have discounted.

"If A, B, C, and D, be united in partnership, they cannot sue each other in a court of law, but must settle any disputes that may arise between them in a court of equity. Now, a joint-stock bank being, as we have already observed, only an extended partnership, it is doubtful whether the bank can sue any one of its partners, or whether any one of its partners can sue the bank. Thus, if a partner should borrow 10,000*l.* from the bank, and then refuse to repay it; or if a partner should lodge 10,000*l.* in the bank, and the bank should stop payment, it is questionable, in the present state of the law, whether either party possesses a legal remedy.

"If A, B and Co., bring an action against any other party, they must state the Christian and surname of every one of the partners; and if an action be brought against them, the plaintiff must likewise state the Christian and surname of every partner in the firm of A, B, and Co. The same rule applies to a joint-stock bank partnership such as we have described, and the Christian and surnames of the five hundred or one thousand partners must be stated with the same precision. If, during the progress of such an action, any change takes place in the firm by the transfer of shares, or by the death of a partner, or by the marriage of a partner, or any other casualty affecting any individual partner, then the action stops, and the parties must begin again, whether it be the bank that sues or is sued. This inconvenience is, to a certain extent, remedied with regard to those joint-stock banks that are established at a greater distance than sixty-five miles from London, such banks being allowed to sue and be sued in the names of their public officers, whose names are registered at the Stamp Office. But all other joint-stock banks are exactly in the same condition as ordinary trading partnerships, and are compelled to have recourse to clumsy expedients to remedy the incompleteness of the law.\*"

All the difficulties here described, arise out of the existence of *laws which dictate how men shall trade with each other. Even the persons who wish to associate themselves together are not permitted to fix the terms of association.* That is done by law, and as is always the case when law-makers undertake to dictate in what way men shall act, the difficulties are such as to render association too dangerous for men of common prudence.

It is difficult to imagine upon what ground the community can deny to any number of persons the right to contract upon what terms they will trade together, even were it admitted, which it cannot be, that it could better judge what the interests of the parties required than they themselves could do. To do so is an interference with the security of person and of property. If a man borrow money upon a pledge, and it can be shown that his liability for its return was expressly limited to the value of the pledge, no court or jury can under-

\* London Atlas.

take to change the contract. If ten men open a place of business and announce to the world that each has placed therein ten thousand dollars, which sum, and no more, shall be liable for the debts of the concern, and if every engagement for the payment of money expresses on its face that it shall be paid out of the joint funds, and no other, the parties who trade with them do so with their eyes open, and are bound by the contract. To deny to individuals, or to an association, the right to make engagements in this manner is as much a denial of a right as it is to prevent them from exchanging their wheat with those who would give them the largest quantity of cotton-cloth, shoes, or hats therefor, and is, we think, as little susceptible of defence.

It is perfectly proper for the community, in order to guard against frauds upon the unwary, to define the conditions necessary to the enjoyment of this right. Thus, they may pass a law requiring that every association shall put over its doors a sign on which shall be painted the words "limited liability," in letters two feet long; or they may require it to be advertised in one or more newspapers, every day in the year; or they may require a compliance with certain other forms, as is done in the present acts of incorporation, which merely define the terms upon which the parties named therein shall enter upon the enjoyment of a previously existing right, which the policy of the makers of laws has rendered a *privilege*. A general law, defining the terms upon which this right should be exercised, would at once correct the evils that have resulted from the desire to confine its enjoyment to a few individuals, and would enable all the members of a community to trade with each other upon such terms as they might find mutually advantageous, whether of limited or unlimited liability.

The smaller the amount of risk the less will be the compensation required. The owner of capital places his funds in the Bank of England, receiving no interest, in preference to giving it to a private banker, who will allow  $2\frac{1}{2}$  per cent. He does so because it is more secure in the hands of the former than of the latter. If the latter would give him 5 per cent. he would take the risk, but not otherwise. So it is with the joint-stock banks. Their owners have to incur great risks, and they require to be paid for them. On a recent occasion, the Bank of England had a judgment against the Northern and Central Bank for one million, under which that institution might seize the whole property of any one, ten, or twenty of the shareholders. It was a lien upon all their property, and not one could sell an acre of land until it was discharged. Such immense risks must, of course, be paid for, and accordingly we find that the owner of shares in such concerns will not be satisfied with less than six per cent. interest, being nearly twice as much as the ordinary rate.\*

\* Extract from the evidence before the Select Committee on Joint-Stock Banks, in 1837.

"Now, let me suppose that the individual shareholder against whom that execution was directed, held shares to the value only of £100, but that the execution levied amounted to £100,000, what remedy would he have for an apportionment amongst his other co-partners, who were proprietors in the company? He might commence a suit against the public officer; he might obtain a judgment upon that, and deal with some other partners as he had been dealt by, or he might file a bill against the whole partners for a contribution. \* \* \* I was concerned against the St. Patrick Insurance Company for various claimants under their marine policies; I think they stopped somewhere about the year 1826 or 1827. It became my duty to recover very large sums from them, and I did so on the equitable principle, that if a party would pay his calls, I would not take out execution against him. There was one man who refused to do so; he was a Mr. Gough, of Dublin; I issued execution against him, and levied about £800 or £900 for one of my clients; he commenced his proceeding for indemnity, and it was only late last year that I was examined in the cause to prove the facts. *He was able, by that length of time, just to get so far as to prove the fact that he paid me the money.*"—  
p. 236.



As evidence of this we offer the following list of prices of shares in joint-stock banks, and of dividends received:

	Shares.	Paid up.	Price.	Dividends.
London and Westminster,	£ 100	£ 20	£ 21½	5 per cent.
Manchester and Liverpool,	100	15	19½	7½
Manchester,	100	25	27	7
Monmouthshire,	20	10	13½	12
Northamptonshire Union,	25	5	11	14*

Average interest upon the selling price 6¼ per cent., with the privilege of paying up the balance of the shares at par, whenever the business shall require it. The average interest received during several years by the holders of shares in joint-stock banks, is stated to have been eight and one twelfth per cent., in addition to one per cent. per annum applied to the surplus fund.

Such profits cannot be made by any regular and safe business. They are always held out as the rewards of wild adventure and reckless speculation, because if the business were safe competition would reduce the rate of profit. Accordingly, we find that the joint-stock banks of England do a large business upon small capitals, and make their dividends chiefly out of the profits of their circulation and deposits. In a list of those now before us, there are very few with capitals exceeding £70,000, and there is one as low as £28,000, which last appears in three years to have divided 28 per cent. among its stockholders.† Even those which had large capitals pursued the same course of operation, and thus we find the Northern and Central Bank, with £800,000 paid in, lending above £1,900,000, and having in its possession only £160,000 to meet its circulation and deposits, amounting to £1,300,000.

No man not possessing the nerve of a thorough gambler, would deem even 8 or 10 per cent. interest sufficient compensation for these risks.‡ The solid capitalist therefore does not purchase, preferring even to let his capital lie idle in the one incorporated bank which he deems perfectly secure, receiving no interest therefor. He thinks, however, that there is no good reason why he and ten or twenty of his neighbours might not each place £5,000 in the hands of an agent, to be employed by him *under an agreement with all who deal with him, that the liability of his principals shall be limited to the capital so employed.* He knows that *such an association, trading upon those terms, would command a far greater amount of public confidence than any one, two, or three of the individuals trading separately could do,* and he finds it difficult to understand why, *if those who wish to do business with him are content to take the liability of the subscribed capital, the community should insist that they should not do so, and require them to retain the right of looking to the private property of the party.* He says, and with great reason, "I would be willing to take four per cent. for the use of my capital, if permitted to use it my own way, but if I must take the responsibility of an ordinary joint-stock bank, I must have six or seven per cent." He is thus *compelled* either to take large risks, for which he demands a large *proportion* as interest, or to place his capital in the Bank of England and get nothing, until he can himself seek out some mode of using it, perhaps by the purchase of the stock of some company in the United States, yielding perhaps only five per cent., but in which he risks only the amount of the capital paid in.

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The Bank of England, an institution possessing a monopoly of the right of tra-

\* Atlas, January 27, 1838.

† Half the Joint-Stock banks in the North of England are merely bill-brokers."—*Report of 1836, p. 151.*

‡ "It may well excite astonishment that any one who can really afford to make a *bona fide* purchase of shares in a bank, should be fool-hardy enough to embark in such concerns.—*McCulloch's Dictionary. Article, Banks.*

ding on the principle of limited liability, and within sixty-five miles round London a monopoly of the right of banking on the principle of a joint-stock company, enjoys so high a degree of credit that it is enabled to maintain a circulation of about 18 millions of pounds sterling, while all the private banks throughout the Kingdom, numerous as they are, have a circulation of only eight millions. It has also, in general, deposits to the amount of 10 or 12 millions, and of late years varying from 13 to 21 millions, upon which it pays no interest, another evidence of its high credit.

This large sum is placed there partly by the public and partly by individuals, as will be seen by the following statement of the average amount held in the quarter ending March, for each year from 1815 to 1832.\*

	Public.	Private.	Total.
1815,	£ 10,853,100,	£ 1,657,000,	£ 12,510,000
1816,	11,738,500,	1,328,700,	13,067,200
1817,	9,502,000,	2,163,300,	11,665,300
1818,	6,746,500,	1,929,900,	8,676,400
1819,	5,817,900,	1,889,800,	7,707,700
1820,	3,584,200,	1,385,900,	4,970,100
1821,	4,181,300,	1,658,800,	5,840,100
1822,	3,877,100,	1,997,800,	5,874,900
1823,	5,665,800,	2,674,900,	8,340,700
1824,	7,546,200,	2,769,900,	10,316,100
1825,	6,404,300,	3,252,900,	9,657,200
1826,	4,297,700,	3,196,900,	7,494,600
1827,	4,323,300,	4,888,100,	9,211,400
1828,	4,114,100,	5,472,300,	9,586,400
1829,	4,420,900,	5,840,000,	10,260,900
1830,	4,812,600,	6,227,700,	11,040,300
1831,	4,720,900,	7,058,300,	11,779,200
1832,	3,723,500,	5,595,100,	9,318,600

Here we see that while the expenditure of government was great, and the public loans absorbed capital as fast as accumulated, the private deposits did not exceed, and rarely equalled two millions, although the period from 1815 to 1821 was that at which the credit of the local banks was lowest, and when the owners of capital must have felt most anxious to place it in security. We see, also, that since the expenditure has diminished and loans have ceased, there has been a constant increase in the amount of private deposits, marking a constant accumulation of capital, the owners of which have been seeking the means of profitable investment. In 1831, they had reached the sum of seven millions, of which two millions were probably required for the daily operations of London, and the remaining five millions were totally unproductive to their owners, who were waiting an opportunity to place them where they would yield income. At the close of the same year, the public deposits had fallen to little more than three millions.

Subsequently to 1833 we can no longer distinguish the public from the private deposits. It is reasonable to suppose, that as the revenue has, since 1832, been materially decreased, they must have fallen below three millions, but we shall suppose them to have averaged that sum.

December 31, 1833, the whole amount was	£ 15,169,000
December 28, 1834, " "	13,019,000
December 26, 1835, " "	20,370,000
December 13, 1836, it fell to	13,330,000
February 12, 1837, it was	14,230,000

\* Report on Bank Charter, Appendix, p. 43.



Which may be thus divided:

	Public.	Required for London circulation.	Seeking investment.
1833,	£ 3,000,000,	£ 2,000,000,	£ 10,169,000
1834,	3,000,000,	2,000,000,	8,019,000
1835,	3,000,000,	2,000,000,	15,370,000
1836,	3,000,000,	2,000,000,	8,330,000
1837,	3,000,000,	2,000,000,	9,230,000

Its capital, which is nearly 15 millions, is all lent to the government, and it trades entirely upon that of others, which its credit thus places in its hands, amounting commonly to about 30 millions. Of this it lends out from 20 to 25 millions, retaining the balance, on an average about eight millions, in bullion, to meet any claims that may be made upon it. The following is the usual average state of its affairs:

Capital,	- - -	£15,000,000	Loans drawing interest,	£37,000,000
Circulation and deposits,		30,000,000	Bullion,	- - - 8,000,000
		<hr/> £ 45,000,000		<hr/> £ 45,000,000

The stockholders, having invested 15 millions, are thus enabled to draw interest upon 37 millions, the consequence of which is that the stock sells at an advance of 100 or 120 per cent. upon its par value. The owners are permitted to transact business with those who desire to deal with them on terms that are mutually agreeable and advantageous, while their fellow citizens are deprived of that right, being forbidden to do business on any terms but those prescribed by the law. The first are content with 3½ per cent. interest for their capital, while the others demand 6 or 7, the difference being the charge for the risk that is incurred.

The favoured few enjoy perfect security, and eight per cent. per annum upon the original investment. The gambler has a high degree of risk and 6 to 7 per cent. The widow and the orphan, the mechanic and the labourer, the prudent merchant, lawyer, or physician, unwilling to encounter such risk, and unable to obtain permission to form associations to trade upon such terms as may be most agreeable to all parties, must invest their capital in mortgages, or in the public securities, yielding them three per cent., when under a different system they would enjoy four per cent., or perhaps even more, with perfect security.

The inequality of such a system must strike every one; but its effects upon the security of property, and upon the productiveness of industry are what we chiefly propose here to consider. We have shown that the means of the Bank of England amount to 45 millions, of which only 15 millions are capital. The remaining 30 millions are liable to be called for, in gold, at any moment, but it is supposed that a reserve of eight millions is sufficient to meet all claims that are likely to be made. A demand for five millions reduces the liabilities to 25, and the means of meeting them to three, being less than one eighth. Such a demand is liable to produce ruin to the bank, and to those who are accustomed to do business with it, and while the possibility of such an occurrence exists, there can be neither steadiness of action nor security of property.

With a view to show the action of the system, and the mode in which it may be improved, we shall assume the paper circulation, the circulation of the precious metals, the deposits, and the bank capital, of *all England*, each at 30 millions, and that the reserve of gold in the banks amounts to 10 millions, the remainder being loaned out at four per cent. These quantities are not probably very wide of the mark, but even were they so, the fact would not affect the principles upon which our remarks are based. The account will now stand thus:

No. 1. Capital, - - -	30	Loans, - - -	80
Paper circulation, - -	30	Gold in banks, - -	10
Deposites, - - -	30	Coin in circulation, -	30
Coin in circulation, - -	30		
	<hr/> 120		<hr/> 120

The currency here consists of Paper in circulation, - - -	30 millions.
Coin in circulation, - - -	30
Deposites, liable to be converted at any moment into paper or gold, - - -	30
Total,	<hr/> 90 millions.

Of the sum thus remaining in the form of deposits in the various banks, it is probable that not less than 20 millions is temporarily placed therein, waiting until means can be found of investing it advantageously. The remaining 10 millions we will suppose to be required for the purpose of carrying into effect existing arrangements. In addition to these deposits there are probably not less than 12 millions of coin equally unproductive to their owners. The quantity of gold now circulating is estimated at not less than 22 millions; whereas, 10 millions of £1 notes performed the same operations when gold was not used, whence we are induced to suppose that 12 millions remain *on deposit with their owners*, making in the whole 32 millions of deposits seeking permanent investment.

A man who has £1000 in gold in his possession, which he wishes to invest, makes no inquiry for sugar or coffee, nor are the prices of those commodities more affected by the existence of that sum than if it had none. He inquires for stocks, or real estate, and his demands therefor tend to raise their prices. In like manner, when a man comes to London to purchase sugar, although he may add 10 per cent. to the price of that commodity, his presence will have no influence upon stocks or real estate.

If A., the owner of that gold, lend it temporarily to his neighbour B., to purchase with it sugar or coffee, there is thereby produced in the prices of those commodities a *tendency to rise*. Although A. has lent it to B., he is still desirous of finding some mode of investing it, and is a competitor with other capitalists for the purchase of stocks or real estate. This competition *tends to keep up their prices*, and to keep down the rate of interest derivable from capital invested therein. The effect upon prices generally is the same that would be produced by *two persons each owning £1000, which they had in their possession in gold*, and which they desired to invest in sugars or stocks. If A. now conclude to build a house, or to unite with others in making a canal or rail road, he must call upon B. to return his gold, to accomplish which B. must sell his sugar or coffee, and thereby is produced a *tendency to fall* in the price of the commodity. The building of the house, or the making of the rail road, increases the number of investments, withdraws A's £1000 from competition with other capital, and *tends to produce a fall* in the price of stocks and real estate, and an increase in the rate of interest derivable therefrom.

The existence of capital for which the owner is seeking employment, and which is temporarily lent out, *tends* to raise the prices of commodities, of stocks, and of real estate above the proper level, in consequence of *the double demand* produced by the competition of *the owner of it, and of the person to whom he has lent it*; and as soon as this double demand ceases, in consequence of its permanent investment, prices fall. If A., instead of lending it temporarily, had given his £1000 in exchange for a mortgage upon the property of B., having five or ten years to run, no

double demand could in the first place have been produced, nor could any change have taken place until the five or ten years should have elapsed. A. would at once have ceased to be in the market, as a purchaser of stocks or real estate, and his absence therefrom would have *tended* to produce a decline in prices, and an increase in the rate of profit, or interest. If, instead of taking a mortgage, he had united with one hundred of his neighbours in creating a bank, the whole capital of which was lent to B., the investment would thus have been made permanent, the shares of stock in his possession being exactly equivalent to the mortgage. He would thereby have created a security for himself, instead of being a competitor for those already existing: there would be consequently no disturbance of prices produced, and no subsequent adjustment would afterwards be required. The reader will now, we think, see that the more complete the facility for investing capital as it is accumulated, the less will be the quantity temporarily lent,\* and the less will be the tendency to disturbance in consequence of the double demand of the owner and the temporary employer; and that, on the contrary, the greater the impediments to investment, the greater will be the tendency to the accumulation of capital to be temporarily lent, and the greater the tendency to disturbance.

We will now apply this. Let us suppose that in a community there exists an association, with a capital of ten millions, possessing an *exclusive privilege* of banking. Their capital being lent out at five per cent., and the expenses being one per cent., they may divide four per cent. If they purchase five additional millions of securities, giving bank notes in exchange for them, they will obtain six or six and a half. The immediate effect of this increase of five millions in the loans, is to raise the prices of stocks and real estate, and to lower the rate of interest upon them; and thus the same operation by which the interest upon bank stock is raised, tends to lower that of all other investments. Capital is rendered superabundant, and its owners, desirous of placing it are always in the market and thus aid in keeping up prices; but they are unwilling to purchase at the high rates, and therefore leave their capital on deposit with the bank, hoping for an opportunity to invest more favourably. The bank, in consequence of this increase of deposits, feels itself at liberty to purchase two more millions. The same operation is repeated. Prices rise and deposits again increase. Three more millions are now issued, with a still further increase in the profits of bank stock—in prices—and in the superabundance of capital, with a further reduction of interest and consequent increase of deposits. The owners of these, at length unable to obtain interest at home, conclude to lend their capital abroad. For that purpose they demand gold. The bank now calls upon the owner of commodities, or of stock, to pay the amount lent. He finds that capital has suddenly become scarce. A fortnight before, its owners were anxious to purchase the stocks which he himself held with *their* capital borrowed from the bank. Now, they have contracted for its investment and wish it returned to them. Instead of a *double demand* on one day, there is *no demand* on another. The bubble bursts. Prices of commodities fall in consequence of the necessity for converting them into gold. The prices of stocks fall from the same reason, and from the additional one that some foreign state has created a further supply of the same commodity. Instead of selling at 25 years' purchase of the income, they will now sell only at 20, or perhaps 15, or even 12 years' purchase. The profit of bank stock has fallen from the necessity for reducing loans, and that of all other capital has risen, *because of this necessity imposed on the bank*. The larger its loans the greater must be its dividends, and the less must be the profit upon all other capital. *It is therefore to its interest to pursue a course that increases the difficulty of investing capital profitably, and that increases the difference between the profit of banking and other capital.*

\* The loans of banks to *individuals* are temporary, but as regards the *community at large* they may be deemed permanent. The unemployed capital of individuals is temporarily loaned to the community.

Let us now suppose a community in which there were *no privileges*, and in which men were free to exercise the *right of associating and of trading with each other upon such terms as they might mutually judge most advantageous*, and in which, of course, banking was perfectly free. We have seen that the increase of loans from 10 to 15 millions, increases the profits of bank stock, while it increases the difficulty of making investments, diminishes the rate of interest, and increases the deposits. Bank stock now yields five per cent., while all others yield only three. The owners of a million or of two millions of the deposits, come to the bank and demand gold, for the purpose of establishing a new bank to participate in the profits. The bank diminishes its business by calling in two millions of its loans, or by transferring that amount of its securities to the depositors—or it increases its capital, giving the depositors certificates of stock—and the dividends fall to four per cent. The two millions cease to be in the market seeking for investment, the prices of stocks fall, and the rate of interest rises to four per cent. Equality is again restored. Instead of this, let it be supposed that whenever bank stock rose to one quarter per cent. above the usual rate of four per cent., and other stocks showed a tendency to fall one quarter below that rate, the owners of deposits to the amount of 100,000 dollars or pounds, should at once create a bank, unless the owners of the one already existing were disposed to increase its capital, giving them certificates in exchange for their deposits, by which their surplus would become invested. In such a case no deposits exceeding the amount required for immediate demands would ever exist, and no double demand produced by the same capital could ever arise. It would be to the interest of the bank to pursue a course that would maintain the profits of the institution as nearly as possible upon a level with that of other capital, because any departure tending to diminish profits generally, and to produce an accumulation of deposits, would have a tendency to produce rival institutions, and if they were produced too fast, the effect would be that the profits of banking capital would fall below the usual rate, and some of them must retire from the business.

In the statement given above, 80 millions of pounds are loaned out at four per cent., yielding as interest £3,200,000, being more than ten per cent. upon 30 millions of capital invested, while the owners of 30 millions of deposits obtain nothing. Were the interest divided among the owners of the 60 millions, each would have five per cent., or, after deducting expenses and losses, perhaps four to four and a half per cent. net. Here is the *inequality* of the present system.

The liabilities are 60 millions, and the immediate means of meeting them are 10 millions. Here is the *insecurity* of the system.

Let us now suppose that to the owners of those deposits was granted the *privilege* of forming an association on the same principle of limited liability that we find in the system of the Bank of England, to the amount of 10 millions, and see what would be the effects. The first would be to withdraw that sum from the existing institutions, which would be obliged to call it in from their debtors, in order that the new one might lend it out again—or the owners of the 10 millions would be willing to take that amount in good notes from the bank, which would thus at once cancel its liabilities and diminish its loans to that amount—or the bank might increase its capital 10 millions, and give them certificates in lieu of their deposits, by which the same effect would be produced. The circulation would remain precisely the same, because it is *now always kept as full as it is possible to be without forcing a large export of the precious metals, which would at once correct any mistake that might be made in extending it.*

The account would now stand thus :

No. 2. Capital, -	40	Loans, -	80
Paper circulation, -	30	Gold in bank, -	10
Deposites, -	20	Coin in circulation, -	30
Coin in circulation, -	30		
	<hr/> 120		<hr/> 120

While this 10 millions remained in the bank to the credit of the depositors, it was seeking investment. By the change that has taken place it has become invested, and is no longer a part of the *currency*, which has now fallen to *eighty millions*. The owners of the deposits receive the interest which before was received by the owners of bank stock. No other change has occurred, and no effect is produced upon prices, except that as the amount of investments yielding interest has been slightly increased, and the amount of capital seeking investment somewhat reduced, the average rate of interest has had a *tendency* to rise, and consequently property yielding interest will not sell for quite as many years' purchase as before. The prices of *commodities* are no more affected by this increase in the supply of *investments* than would be the price of fish by an increase in the supply of lumber.

Here would be £ 3,200,000 of interest to be divided among the holders of 40 millions of stock, giving them eight per cent., while 20 millions would yield nothing. *Inequality* would still exist. The liabilities of the banks would now be 50 millions, and their means of meeting them would be 10, so that *security would be increased*.

A similar operation would be attended with the following effect :

No. 3. Capital, -	50	Loans, -	80
Paper circulation, -	30	Gold in banks, -	10
Deposites, -	10	Gold in circulation, -	30
Gold in circulation, -	30		
	<hr/> 120		<hr/> 120

Total currency 70 millions.

*Inequality* would be diminished and *security* would be increased, but yet the holders of stock would have a *gross income* of six per cent., and the liabilities would still be four times as great as the means of meeting them on any instant.

Instead of these partial grants, let us suppose a law at once passed recognising the *right possessed by every man of seeking in his own way the means of improving his condition, and of employing to that end whatever capital he may possess in such way as he deems most likely to produce the effect*. Let it say that men may associate in such way as they may deem most advantageous; *that if persons think proper to contract to trade with them on the principle of limited liability, they may do so, and that the courts shall grant security to both, by enforcing the performance according to the terms of the contract*; but let it require that notice shall be given in such way as may be deemed most certain to prevent fraud. Let it say, if deemed necessary, that every person trading with them shall give his assent by signing his name to a certain paper—or that in every bank book, upon every contract, shall be printed the terms of the association, so that none may trade with them under an erroneous notion that the parties to the concern are liable in their private property for the debts of the concern.

That having been done, the remaining depositors, or at least a large portion of them, would feel desirous of applying their means in such way as to produce interest. There must, of course, always remain a moderate amount of money on deposit, but for the present we shall assume that the remaining 10 millions are applied to the formation of new banks, after which the account will stand thus :

No. 4. Capital, -	60	Loans, -	80
Paper circulation, -	30	Gold in bank, -	10
Gold in circulation, -	30	Gold in circulation, -	30
	<hr/> 120		<hr/> 120

Total currency 60 millions.

There is now £ 3,200,000 to be divided among the holders of 60 millions of stock, giving to each a gross interest of 5½ per cent., or *net* from 4 to 4½ per cent. Here is *equality*. The liabilities of the banks are 30 millions, and the means of meeting them are 10 millions. Here is *comparative security*.

There would be a strong desire on the part of the stockholders, under such circumstances, to increase their profits by substituting paper in place of gold in cir-

ulation, and they might with that view increase their loans to 85 millions, the immediate effect of which would be to cause the shipment of five millions of gold. If those notes were of £5 and upwards, they would cause a drain upon the bank, and it would be necessary at once to recall them; but *if they were of one or two pounds, they would take the place of the gold in circulation, five millions of which would go abroad, to be converted into some commodity that would tend to increase the production and enjoyment of the community.*

The account would now stand thus:

No. 5. Capital, -	60	Loans, -	85
Paper circulation, -	35	Gold in bank, -	10
Gold in circulation, -	25	Gold in circulation, -	25
	<hr/> 120		<hr/> 120

There would now be £3,400,000 to divide among the holders of 60 millions of stock, giving them 5½ per cent., or net about 4½. The immediate effect of issuing this additional amount of notes would be to render bank stock *more profitable*, and by making credit more easy to be obtained, to render capital otherwise employed *less profitable* than before—in effect, to offer a bonus to capitalists to establish a new bank or banks with five millions of capital. This sum we will suppose to be paid in in gold, when the account will now stand thus:

No. 5. Capital, -	65	Loans, -	85
Paper circulation, -	35	Gold in bank, -	15
Gold in circulation, -	20	Gold in circulation, -	20
	<hr/> 120		<hr/> 120

Total currency 55 millions.

We have now gold held by the banks to the extent of nearly one half of their paper in circulation, and the total circulation diminished five millions.

Here would be a diminution in the quantity of coin and of paper money in circulation, and it might be supposed that such a reduction would have some effect in reducing prices and causing an import of gold. Much of this sum would, however, be furnished by those who, in consequence of the increase in the number of shops\* at which money could be had when wanted, would be enabled to diminish the quantity of currency retained for the purposes of trade. Checks would be substituted for coin or bank notes. Banks of equal solidity with the Bank of England would exist in various parts of the Kingdom, and the gold now hoarded would be invested in their stock, or placed in them on deposit. The increased activity of the 55 millions, and the substitution of checks of individuals, would prevent any reduction of price resulting from reduction in the amount of the currency, whether of bank notes, or of gold and silver.

The issue of five millions more of small notes would produce a repetition of this operation. Capital would become slightly abundant—the rate of interest would fall—gold would go abroad—the profits of bank stock would rise—and the account would stand thus:

Capital, -	65	Loans, -	90
Paper circulation, -	40	Gold in bank, -	15
Gold in circulation, -	15	Gold in circulation, -	15
	<hr/> 120		<hr/> 120

Total currency 55 millions.

Another five millions applied to banking, would give us the following state of affairs:

No. 6. Capital, -	70	Loans, -	90
Paper circulation, -	40	Gold in bank, -	20
Gold in circulation, -	10	Gold in circulation, -	10
	<hr/> 120		<hr/> 120

\* See page 235, *ante*.

Let us suppose the loans now increased to 95 millions, yielding £ 3,800,000, being 5 3.7 per cent. gross interest, and that the effect is to substitute five millions more of paper for gold, which goes abroad.

Capital, - -	70	Loans, - -	95
Paper circulation, -	45	Gold in bank, -	20
Gold in circulation, -	5	Gold in circulation, -	5
	<hr/> 120		<hr/> 120

Or the loans are made in gold, which is exported.

Capital, - -	70	Loans, - -	95
Paper circulation, -	40	Gold in bank, -	15
Gold in circulation, -	10	Gold in circulation, -	10
	<hr/> 120		<hr/> 120

Total currency 50 millions.

There would be a strong tendency to an increase in the amount of issues, and an increase in the rate of profit. A further portion of the gold would go abroad. Affairs would now stand thus :

Capital, - -	70	Loans, - -	100
Paper circulation, -	45	Gold in bank, -	15
Gold in circulation, -	5	Gold in circulation, -	5
	<hr/> 120		<hr/> 120

Five millions of circulation being rendered unnecessary for the performance of exchanges, in consequence of the further increase of confidence and of the increased number of banks, may now be converted into the capital of new ones, with a view to obtain a share of the profit resulting from this increase of loans, and the account would now stand thus :

No. 7. Capital, - -	75	Loans, - -	100
Paper circulation, -	40	Gold in bank, -	15
Gold in circulation, -	5	Gold in circulation, -	5
	<hr/> 120		<hr/> 120

Here we have a constant improvement in the *security* and in the *economy* of the currency. In the first there are 60 millions of liabilities with only 10 millions to meet them, and this insecure currency is maintained at the cost of the wear and tear of 40 millions of gold. In the last there are 40 millions of liabilities, with 15 millions of gold to meet them, and the total cost of this secure currency is the wear and tear of 20 millions. In the first, the state of the currency is dependent upon a few men, directors of the Bank of England, who have, on various occasions, proved their total incapacity for performing the duties of regulators, while in the latter it is regulated by the laws of nature. In the first, a departure of half a dozen millions from the true course of policy, might take place without being marked, except by the few who study the returns of the bank, while in the last it would be marked by all those who possessed capital and desired to invest it, and the error would be almost instantly corrected. This will be obvious to the reader on an examination of the following table :

No. 1. Total currency, 90 millions.	An increase of 5 millions would be		
2. " 80 "	"	"	1.18
3. " 70 "	"	"	1.14
4. " 60 "	"	"	1.12
5. " 55 "	"	"	1.11
6. " 50 "	"	"	1.10
7. " 45 "	"	"	1.9



In the first, an error of 10 millions would produce no more effect upon prices than would be produced in the last by one of five millions, and error might thus accumulate for a long period without being marked, whereas, in the last, it would be almost as promptly marked as would a change of temperature by the thermometer. In the first there is no immediate check upon the disposition of the banker to make large profits. In the last there would exist a knowledge that *every attempt to make large profits would at once diminish the market value of money, and offer inducements for the establishment of new shops for dealing therein; and that thus any departure from the true principles of trade must produce competition and reduction, instead of increase of profits.*

With the increased freedom in the employment of capital, and in the number of banks, or money shops, there would be a steady decrease in the quantity of gold or bank note currency required, and it would ultimately be found that the whole quantity would not exceed 30 millions of gold and of paper, and would probably be much less. Checks of individuals to an equal, and probably much larger amount would take their place, as confidence in individuals was increased. We have already seen that in London where every man has his bank near him, the average of private deposits for many years was less than two millions. Yet that sum daily cancelled engagements to the amount of possibly 30 millions, with the aid of an exceedingly small amount of bank notes, gold, or silver.\*

We will now briefly state the operations of the Bank of France, that the reader may see how similar are the effects of monopoly in both nations. The capital is nominally 90,000,000 of francs, but 22,000,000 thereof have been bought up by the bank, in order to diminish the amount upon which dividends are to be made, and the present capital is therefore 68,000,000, = \$14,000,000. Its circulation in 1836, was 200,000,000, or three times the amount of its capital, and its deposits were 48,800,000. The cost of a share was 1000 francs. The selling price in 1836, was 2290, and the dividend 112 francs. Here is a monopoly in virtue of which certain persons obtain eleven and one fifth per cent., while the nation is agitated with the discussion of the question, whether or not the interest upon a part of the public debt shall be reduced from five per cent. to four. The following may be taken as being nearly the state of the bank.

Capital,	-	-	-	68 millions.
Deposites,	-	-	-	48
Circulation,	-	-	-	200

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316 millions.

The quantity of specie retained on hand is above 100 millions, leaving about 200 millions to be loaned out. After seeing this statement, the reader will not be surprised at the extraordinary reduction of its loans in 1832.†

We now submit to the consideration of the reader the following propositions:

I. That perfect security of property is inconsistent with restrictions upon the mode of its employment.

II. That the greater the freedom, the greater will be the tendency to uniformity in the rate of profit obtained by its owners.

\* It was stated in 1810, that the daily amount of transactions at the Clearing House varied from £5,000,000 to £15,000,000, and that the amount of bank notes paid, varied from £250,000 to £500,000.

† See page 236, *ante*.



III. That the more numerous the restrictions, the greater will be the difference in the rates of profit; and, consequently,

IV. That perfect freedom in regard to its employment is most in accordance with *justice*.

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V. That the excess of loans over capital is limited by the amount of currency that can be maintained.

VI. That the more perfect the freedom enjoyed by the owners of capital, the smaller will be the amount unemployed by them, remaining in the form of gold or bank notes, or on deposit in the banks.

VII. That the currency will thus be diminished in amount; and, consequently,

VIII. That freedom in the employment of capital tends to limit the power of bankers to expand their loans.

IX. That the smaller the mass of currency, the more immediate is the effect produced by any improper expansion, and the more prompt is the effect of any measure of contraction. It is therefore *more sensitive*.

X. That perfect freedom is therefore most in accordance with *stability*.

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XI. That every diminution in the quantity of currency tends to diminish the quantity of the precious metals required.

XII. That perfect freedom in the employment of capital tends to diminish the cost of performing exchanges, and is therefore most in accordance with *economy*.

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XIII. That the capital which is thus set free, may be otherwise applied to increase the production of commodities.

XIV. That thus there is a *constant diminution in the proportion* which the currency bears to production.\*

XV. That the larger the quantity of commodities produced, the larger will be the quantity falling to both labourer and capitalist.

XVI. That perfect freedom in the employment of capital tends to benefit both labourer and capitalist, and is therefore dictated by *an enlightened self-interest*.

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We shall now proceed to inquire how far the results obtained by an examination of the banking operations of the several portions of the United States, tend to confirm the views we have thus submitted.

In none of them have the restrictions upon the right of associating and trading in money been entirely repealed, but in some of them they have *virtually* been so, by granting acts of incorporation to all or nearly all who thought proper to ask for them. In others, restrictions have been maintained, and their abolition in regard to a few persons has been regarded as a *privilege* enabling them to obtain large profits, as is the case in England. In Massachusetts and Rhode Island, and very generally in New England, banking is almost entirely free; but as we pass south and west we find a constantly increasing tendency to restriction. Throughout New England, notes of one dollar and upwards are used, and scarcely any of the precious metals are required for circulation except the fractions of a dollar.

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\* Here we find the result before given in regard to transportation of merchandise. Every improvement of the roads diminishes the quantity of capital required to be employed in wagons and horses, and increases the quantity that may be applied to cultivation. There is therefore a *constant diminution in the proportion* which the wagons and horses, or other means of transportation, bear to the products to be transported.

	Population, 1830.	Capital, 1830.	Per head of population.	Total currency.	Per head of population.	Specie in Banks.	Specie, per head.	Amount of loans.
		<i>Dolls.</i>	<i>Dols</i>	<i>Dolls.</i>	<i>Dols</i>	<i>Dolls.</i>	<i>D.C.</i>	<i>Dolls.</i>
R. Island,*	97,000	6,118,000	63	1,534,000	16	343,000	3 55	7,309,000
Massachu'ts,	610,000	20,420,000	34	7,292,000	12	987,000	1 64	26,825,000
Connecticut,	297,000	4,415,000	15	2,400,000	8	415,000	1 40	6,400,000
N. Hamp'ire,	269,000	1,791,000	6	916,000	3	226,000	80	2,481,000
Maine,	309,000	2,050,000	7	1,046,000	3	208,000	67	2,888,000
Vermont,	280,000	432,000	1½	804,000	3	428,000	1 50	856,000
	1,862,000	35,226,000	19½	13,992,000	7½	2,607,000	1 40	46,759,000

Here we find in Rhode Island banking capital in a higher ratio to population than in any other part of the world. The steadiness of the action of the system may be judged from the fact that, small as is the amount of specie on hand, a reduction of 10 per cent. of the amount of loans, combined with that specie, would absorb more than two thirds of the whole currency. The whole amount of capital, remaining in the form of deposites, was \$861,000, or *one seventh* of the amount employed in banking.

Massachusetts is next in order. A reduction of 10 per cent., combined with the specie on hand, would absorb one half of the currency. The whole amount of deposites was \$2,545,000, or *one eighth* of the banking capital.†

In Connecticut, we find a diminution in the ratio of capital to population, and an increase in the ratio of currency to capital. A reduction of 10 per cent., combined with the specie on hand, would here absorb but two fifths of it.

In Maine, we find banking capital amounting to only \$7 per head. A reduction of 10 per cent., would produce an effect somewhat similar to that of Connecticut.

In New Hampshire, the same.

The amount of exchanges to be performed in Rhode Island, is far greater than in Maine, which possesses treble its population, and therefore a larger amount of currency is required. Viewing New England as a whole, which is the proper mode, we find banking capital amounting to \$19, or £4 sterling per head, which is more than in any other part of the world. We find a currency of \$7 50, or £1 11s. per head,

\* These tables have reference to the local banks only. The capital of the Bank of the United States was distributed throughout the Union, and tended to increase in all the ratio of banking capital to population.

† The currency of Massachusetts is rendered less sound than it would otherwise be, by the imposition of a tax of one per cent. upon banking capital.‡ It will be obvious to the reader that no investment will be made unless it will yield as much above the usual rate of interest as will pay the expenses and the amount of the tax. To do this, requires business 40 per cent. beyond the capital: thus—

Capital,	-	-	-	-	\$500,000	
Interest thereon at 6 per cent.,	-	-	-	-	-	\$30,000
Tax,	-	-	-	-	-	6,000
Expenses and losses, say 1 per cent.,	-	-	-	-	-	6,000
						<u>\$42,000</u>

To cover this there must be permanently loaned out \$700,000, leaving 40 per cent. excess. Were the tax repealed, a part of even the small sum remaining on deposit, and upon which the existing banks now trade, would be applied to the formation of new ones, accompanied with a diminution in the amount of currency—a diminution in the proportion which it would bear to the capital—an increase of sensitiveness to change—accompanied by increased facility in the reparation of error, and consequent increase of safety.

‡ See page 110, *ante*.

being the total amount, except the smaller silver coins required for payments of fractions of a dollar. It bears a *smaller proportion to the amount of production* than the currency of any other part of the world. An increase of 10 per cent. in the amount of loans would give an addition of above 30 per cent. to the currency. A reduction of 10 per cent. would absorb one third, independently of all the specie in the vaults of the banks. It was, therefore, the *most sensitive* system in the world. The loans exceeded the capital by little more than one third, and if they were all made at 6 per cent., there would be 8 per cent. of gross profits to cover tax, losses, expenses of management, and circulation, and to give dividends to the stockholders. The interest derived by owners of bank stock was nearly the same as that obtained from other loans upon equal security. It was, therefore, the *most just system* in the world. It was maintained at the cost of the interest and wear and tear of \$1 40 = 5s. 10d. sterling, per head, and was therefore the *cheapest system* in the world.

Let the reader now compare it with that of the Bank of England, which stands thus:

Capital.	Currency.	Specie.	Loans.
£15,000,000	£30,000,000	£8,000,000	£37,000,000

The currency furnished by that institution, is twice the amount of its capital, whereas in New England it is only one third. It pays 8 per cent. interest to its stockholders, being twice as much as others would be willing to receive, under similar circumstances. The system is therefore *less just*. A reduction of 10 per cent. on its loans, united with all its specie, would absorb but little more than one third of the currency furnished by it. It is therefore *less sensitive and less safe*. It requires an unemployed capital invested in gold, in bank, sixteen times as great as that of New England, in addition to a large quantity in circulation, while the amount of its business is but little more than four times as great. It is therefore *less economical*.

*New York, New Jersey, and Pennsylvania, in 1830.*

	Population.	Capital.	Per head.	Currency.	Per head.	Specie.	Per head.	Loans.
		Dolls.	D.	Dolls.	D.	Dolls.	D.C.	Dolls.
New York,	1,918,000	20,083,000	10	23,000,000	12	2,200,000	1	15,360,000
New Jersey,	320,000	2,016,000	6	1,700,000	5	200,000		60,350,000
Pennsylvania,	1,348,000	14,600,000	11	16,000,000	11	2,700,000	2	00,250,000
To this must, however, be added the specie in circulation in Pennsylvania, in which no notes under \$5 were used, say,								
				1,500,000		1,500,000		
	3,586,000	36,699,000	10	42,200,000	12	6,600,000	1	84,645,000

Here we find capital only one half as great per head as in New England. The loans are nearly double the amount of capital. The communities *sell* to the banks the privilege of trading upon the principle of limited liability, and endeavour to limit the amount for which they shall be permitted to contract debts. The right of issuing paper money is regarded as a source of great profit, and the governments desire to obtain a portion thereof. Thus, by the very act of granting as a privilege what belongs to every man of *right*, is produced a *necessity for over-trading*, and consequent insecurity of property. Banks make large dividends, while large amounts remain in the form of deposits, yielding nothing to their owners. The system is *less just*. The currency rises to \$12 per head. An increase of 10 per cent. in the loans would cause an increase of only 1-7. The system is therefore *less sensitive*. The liability to a necessity for decreasing it, and the difficulty of accom-

plishing it, are both greater, as a reduction of 10 per cent., with all the specie on hand, would absorb only 30 per cent. of the currency, whereas in New England the same operation would absorb one half. It is therefore *less safe*. It is based upon a much larger amount of specie, and is therefore *less economical*.

In Maryland, we find banking capital rise to \$14 per head. Currency falls to \$9.

	Population.	Capital.	Per head.	Currency.	Per head.	Specie.	Per head.	Loans.
		Dolls.	D.	Dolls.	D.	Dolls.	D.C.	Dolls.
Maryland,	447,000	6,300,000	14	4,100,000	9	890,000	2 00	9,510,000
Virginia,	1,211,000	5,571,000	3	5,831,000	5	832,000	68	10,571,000
North Carolina,	737,000	3,195,000	4	1,883,000	2½	179,000	25	4,899,000
South Carolina,	581,000	4,631,000	8	7,600,000	13	520,000	90	11,711,000
Georgia,	516,000	4,203,000	8	4,101,000	8	1,305,000	2 53	7,000,000
	3,045,000	17,600,000	6	19,415,000	6	2,836,000	93	34,181,000
There being no notes under \$5 in circulation in these States, the specie in circulation must be added, say,								
				3,200,000		3,200,000		
	3,045,000	17,600,000	6	22,615,000	7	6,036,000	2 00	34,181,000

Here we have capital amounting to \$6 per head, and giving rise to loans to nearly double the amount. Here we have large dividends on bank stocks. Characters are granted as privileges to a favoured few. The capital lying in the form of deposits, in the vaults of the banks, amounts to more than one fourth as much as the banking capital; whereas, in Rhode Island it was only one seventh. There is *no justice*. An addition of 10 per cent. to the loans would add but one sixth to the currency, which is therefore *not sensitive*. It is nearly as great, per head, as that of New England, although the amount of production is not one half, nor are the exchanges one quarter as great. A reduction of one tenth would absorb less than one sixth of it. The system is therefore *unsafe*. It is based upon a large amount of specie, and is therefore *not economical*.

Upon comparing these results of experience with the propositions which we have submitted to the reader, he will find them in perfect harmony with each other. Where there is the most perfect freedom in the employment of capital, there the safest and least expensive currency is to be found.

In France, the paper circulation amounts to	\$ 40,000,000
the deposits are probably about	12,000,000
the coin in circulation is about	580,000,000

\$ 632,000,000

or nearly 19 dollars per head, while the coin in the possession of individuals, and in the vaults of the bank, amounts to 18 dollars per head.

In England, the currency may be taken at 90 millions of pounds, being about 28 dollars per head, of which one third consists of coin, in addition to that held by the Bank.

In the United States, the total currency cannot ordinarily exceed 9 dollars per head, of which not more than one fourth would usually consist of coin.

In New England, the currency is about \$7 50 per head, while the whole coin in circulation, and in the banks, is less than 2 dollars.

The total annual production of France is about 7,000,000,000 of francs, or 40 dollars per head of the population, equal to 13½ cents per day for 300 working days.

That of England is stated at 260 millions of pounds sterling, or 81 dollars per head, equal to 27 cents per day for 300 days. That of the United States is about 1,500,000,000 of dollars, or 95 dollars per head, equal to 31½ cents for 300 days. That of New England may be taken at 35 cents per day.

The currency of France is equal to the product of the nation for	144 days.
That of England is equal to	" " 110
That of the United States is equal to	" " 33
That of New England is equal to	" " 21
The capital employed in the form of coin is,	
In France, equal to the product of	- - - - - 129
In England,	" - - - - - 40
In the United States,	" - - - - - 7
In New England,	" - - - - - 5

Here we find currency in the inverse ratio of production. The capital that should be employed in machinery to aid the labourer in producing commodities for exchange, remains in the form of coin, and is unproductive. Were security as complete in France as it is in New England, there would be 16 dollars of coin for each head of the population, to be converted into rail roads, canals, horses, ploughs, and machinery of all descriptions.\* As security and confidence increase, there will be a constant reduction of currency and increase of production, giving a constant decrease in the proportion which the former bears to the latter.

It is a very common error to suppose that the gain to a nation from using bank notes, or checks, in place of coin, is only the interest on the amount of coin that is dispensed with. Thus Mr. Gallatin says,† "the substitution of a paper currency to the precious metals, does not appear to be attended with any other substantial advantage than its cheapness; and the actual benefit may be calculated with tolerable accuracy." He then proceeds to estimate that forty millions are thereby added to the productive capital of the United States, which, "at the rate of five per cent. a year, may be considered as equal to an additional annual profit of two millions of dollars. The substitution of bank notes to a metallic currency produces the same effect as an addition of two millions a year to the exports of the United States, or as a diminution of taxes to the same amount." It is here totally forgotten that the employer of capital derives a profit from its use, as well as the owner of it. Forty millions of dollars would add ten dollars to the machinery of production of every family in the United States; but to perform the services now rendered by credits in the form of bank notes, checks, drafts, &c., two hundred millions, perhaps five hundred millions, would be required. All the roads and canals of the United States have cost but a small portion of the capital that has thus been saved. Those roads and canals pay interest to their owners, while they increase greatly the wages of the labourer, and the profits of the farmer and manufacturer.

The coin now in France that would be set free by the establishment of credit as universal as that which exists in Massachusetts, is not less than 2500 millions of francs, or 500 millions of dollars. That sum would give to every man the use of rail roads or canals, or other capital, enabling him to manure his land, to increase his product, and to exchange that increased product more advantageously with the manufacturer of cloth or shoes. *It would give interest to the owner, and would add one third to the quantity of commodities at the command of every labourer and ca-*

\* "If we had in France the habits of the English and the people of the United States, it is probable that 1000 millions of circulation, half in paper and half in coin, would suffice for our transactions. Allowing for our commercial inferiority, let us admit that 1500 millions would be required, and that it should be composed of two thirds metals and one third paper, it follows that we might usefully dispose of 2000, or at least 1500 millions, now unproductive in the form of coin, *adding nothing to our comforts, to our enjoyments, or to our productive power.*—Chevalier, *t. I. p. 99.*

† Considerations, p. 19.

*pitalist of France.* The destruction of credit that would cause the substitution of coin for bank notes, checks, and drafts, in the United States, (were such a thing possible,) would prevent the construction of another canal or rail road for half a century to come.

The difference between the rail roads of the present day and the mud roads of the last century, consists in the difference of friction, and in that likewise consists chiefly, as we propose to show, the difference between the several systems which we have described.

A century since, the roads of England were such that it required above a fortnight to pass from London to Edinburgh, and for a part of the distance there was none practicable for carriages. At that time capital was limited—manufacturing establishments scarcely existed—and the town population was small. The shops, or places of exchange, were few in number. The market for the surplus produce was distant, and the modes of transportation were bad.

The large farmer who had wheat or rye for sale, could send it to London, or to Bristol, but the cost of transportation was such, and the share taken by those who sold or exchanged it for him was so great, that not more than half of the price paid in London reached his pocket. The cultivator of an acre or two, who had eggs or butter, a little milk, or a few vegetables, or possibly a calf to spare, could not look for a market beyond his immediate vicinity, where almost all raised their own vegetables, and ate their own eggs and butter. If he found a purchaser, it was at a price not half so great as might have been obtained in London, while the commodities required for his consumption were in a corresponding degree enhanced above the cost in that city. The manufacturing labourer could not obtain, in exchange for the product of his exertions, more than half as much eggs or butter as was paid by the consumer in the country, while the latter could not obtain for his eggs or butter more than half as much cloth as was given for them by the consumer in town. *Here was great friction.*

With the increase of population and of capital there has been a great improvement of roads, while the rapid extension of manufactures has brought the consumer of wheat, of eggs, and of butter to the immediate neighbourhood of those engaged in their production, who are thus enabled to choose between the markets of Birmingham and of London. The producer of wheat obtains within five or ten per cent. as much as is paid by the consumer, and the producer of eggs and butter is enabled to send them speedily and safely to the capital, through the intervention of the numerous dealers scattered throughout every portion of the country. Each of these dealers collects from day to day the surplus of numerous small producers, with infinite advantage to them, as they are thereby enabled to obtain clothing or groceries for commodities that would otherwise be almost useless; and the producer of clothing finds thus a market for his products, receiving a constantly increasing quantity of the necessaries of life in return for a given quantity of labour. *Here is a daily diminution of friction.*

France is now, in relation to the trade in money, in the condition first above described. She has one principal market, and four or five smaller ones. Restraints upon the free circulation of capital enable the owner of that employed at the great market (the Bank of France,) to obtain eleven per cent. for the use of it, while innumerable small sums remain idle in the form of coin, because of the want of modes of safely investing it, and the owners, in the words of M. Chevalier, derive from its possession "no addition to their comforts, their enjoyments, or their productive power." If they wish to transfer it from one place to another, the charge made by the government for doing it is five per cent. Here is great friction.

In England, we find a single institution of high credit. This is the great market, accessible only to the large proprietors, as London was to the farmers, growers of



wheat. In both cases we find the traders taking a large proportion as compensation for their trouble, leaving little for the producer. The owners of bank stock have an interest of eight per cent. upon the capital originally invested, which has, nevertheless, long since been lent out at three per cent. The real owners of the capital that is chiefly used, (the depositors,) have *nothing*. Here there is great friction.

While access to the great market has been limited to the large proprietors, the smaller owners of capital have been prohibited from employing their own agents to transact their business for them, and have been compelled to depend upon the small trader, or private banker of the neighbourhood, who borrowed at two or two and a half per cent. interest, and who lent at four to five per cent., charging also commission for paying the checks of his customers.\* Here was great friction, yet the system was better than that of France. Many of the smaller portions of capital were thus brought into activity with advantage to all. Unfortunately, however, the owners have found that they had little security for the sums so invested, and that while the return was small the risk was great; the consequence of which is the hoarding of large amounts of capital in the form of coin, adding nothing to the comfort, the enjoyments, or the productive power of their owners.

The disadvantage of restrictions having been seen, they have been in part removed, leaving, however, still so much as should forbid men of common prudence to unite in the associations now permitted. England is converted into a great gaming house, where people of all stations in life put at risk their whole property, in the hope of making eight or ten per cent. upon a small portion thereof invested in a joint-stock bank. These risks establish a monopoly of banking in favour of those who have great nerve, or of those who have nothing to lose, and effectually prevent the prudent owner of small capital from uniting in them. Here, again, we find great friction.

If it thus exists to a great extent in the transactions between those who own, and those who lend out capital, it exists in no less degree in the relations between the latter and their agents, all business being transacted in a wasteful manner, when competition is from either natural or artificial causes diminished. The amount of securities usually held by the Bank of England may be taken at about £22,000,000,† being nearly five times as much as those held by the banks of Massachusetts.‡ The *expenses* amount to £425,000, or \$2,040,000, being nearly *nine times* as much as the *losses and expenses* of all those banks, whereas, they should increase much more slowly than the capital. The total revenue derived from the loan of the *capital* of the institution is less than £450,000, and is nearly all swallowed up in expenses. Here is great friction. The cost to the public is far greater than the revenue to the proprietors.

The Bank has eleven branches, which receive, on an average, £3,000 each in interest, and £300 in commissions. The average expenses are £3,000 each, or as much as the interest received.§

The expenses alone of the Northern and Central Bank, with a capital of £700,000, or \$3,400,000, (being little more than one fifth of the average of the banking capital of Massachusetts,) were about £25,000 = \$120,000 per annum, or more than one half of all the *expenses and losses* of the banks of that State.

The expenses of the Norfolk and Norwich Bank, with a capital of £17,000, were £4,055 11s. 2d., or nearly *twenty-five per cent.*|| So wasteful are the operations of associations that are, from any cause, permitted to enjoy monopolies.

\* The Northern and Central Bank, in 1836, charged commission upon more than £400,000 in a single week. In the first three months of that year it received commission upon more than four millions, or five times the amount of its capital.

—Report on Joint-Stock Banks, 1837, Appendix, p. 161.

† In addition to this the capital, £15,000,000, is lent to government, but that requires no expenditure for management.

‡ See page 242, ante.

§ Report on Bank Charter, Appendix, p. 46.

|| Report on Joint-Stock Banks, 1836, p. 30.

Such institutions are as little calculated to inspire confidence as the private banks have shown themselves to be; but were the trade in money set free—were men permitted to select their own agents—and to trade together as they thought proper, there would speedily be established in every part of England banks owned by the cautious and the prudent, and governed by men of sound judgment, that would inspire in every village the same confidence in its local institution that is now felt in the Bank of England, and then every shilling of capital would be brought to aid in the increase of productive power. Competition would compel the practice of economy in the management, and the proprietors would thus divide among themselves nearly the whole price paid by the employers of capital, as the farmer now pockets nearly as much as is paid in London or in Manchester for his wheat, his butter, or his eggs, and finds in his increased reward the strongest inducement to use every exertion to increase the quantity sent thereto. Here would be a daily diminution of friction.

We now proceed to examine the system of the SCOTTISH BANKS, in which we find a much greater degree of freedom than in that of England. Three banking companies were incorporated in 1695, 1727, and 1746, respectively, the capitals of which have been gradually increased until they now amount to £3,500,000, being one half greater in proportion to population than the capital of the Bank of England, and twice as great in proportion to the amount of exchanges to be performed.

No restraint has ever been imposed upon the *formation* of joint-stock banks, although they could *trade* only on the terms fixed by the law—those of the unlimited liability of all interested. In consequence of this comparative freedom, we find such institutions gradually increasing in number. Their dates and the number of partners are as follows.

Banks.	Partners.	Banks.	Partners.	Banks.	Partners.
1, 1738,	8.	2, 1777,	7, 61.	1, 1792,	15.
1, 1746,	3.	1, 1778,	15.	3, 1802,	6, 4, 7.
1, 1761,	6.	1, 1783,	6.	2, 1809,	85, 19.
2, 1766,	147, 60.	1, 1785,	14.	1, 1810,	521.
1, 1767,	80.	1, 1787,	5.	1, 1814,	97.
1, 1773,	8.	1, 1788,	4.	4, 1825,	446, 112, 202, 1238.

Mr. McCulloch informs us that there have been "comparatively few bankruptcies among the Scotch banks."\* Unfortunately he does not state the number, and we are therefore unable to ascertain whether it exceeds or falls short of the number shown to have taken place in Rhode Island or Massachusetts. The average number in existence, during the last 25 years, may be taken at 28. The annual average of failures in those States having been about one half of one per cent., would give for Scotland in the same period  $3\frac{1}{2}$  bankruptcies. It is not, however, by them alone that we are to judge of the system. The most important subject for consideration is the amount of *friction*—the difference in the *cost* of the commodity, capital, to the user, and *its product* to the owner.

The incorporated banks divide from eight to ten per cent. upon their capitals, and their shares sell for *more than double the original cost*. The owners of capital are willing to take four per cent. interest, *provided they can have security*.

The restraint upon the freedom of action which prevents other persons from forming associations to trade upon the footing of limited liability, compels those who are unwilling to incur the risk of joint-stock banks, to leave large sums in the hands of their bankers on interest. In 1831, the amount was estimated at 24 millions of pounds, or 116 millions of dollars, the interest allowed on which was from 2 to  $2\frac{1}{2}$  per cent.† In 1826, it was 4 per cent. The difference between the average rate at which capital is borrowed and lent by the banks, cannot be taken

\* Dictionary of Commerce, p. 89.

† Ibid.



at less than one per cent., and it is probably more. This one per cent., *and the profit of circulation*, are retained by the banker. Here is the friction of a good wagon upon a tolerable turnpike road, a system somewhat better than that of England, but still an inferior one, as the reader will judge from the following statement:

The capital of the three incorporated banks is	-	-	£3,500,000
Let us suppose that of all the joint-stock banks to be twice as much, say			7,000,000
			£10,500,000
Yielding, at five per cent.,	-	-	£525,000
The deposits being 24 millions, and invested in the public funds,			
yielding only $3\frac{1}{2}$ per cent.,	-	-	780,000
The circulation consisted, in 1826, of £2,079,344 in notes under			
£5, and £1,229,838 in notes of £5 and upwards. It is now esti-			
mated by Mr. McCulloch at £4,000,000, which we will suppose to			
be likewise invested in the funds at $3\frac{1}{2}$ per cent.,	-	-	130,000
			£1,435,000
Less $2\frac{1}{2}$ per cent. upon 24 millions of deposits, say	-		600,000
Balance,	-	-	£835,000

Being, *without counting commission*, which is charged upon most of the transactions, eight per cent. gross interest upon the capital, to meet the expenses and losses. If that capital does not exceed eight millions, which we think likely to be the case, it gives a gross interest of nine per cent. Here, it will be observed, that we have considered the whole amount of deposits and circulation as placed in the funds, and yielding only  $3\frac{1}{2}$  per cent., whereas, a large portion is probably lent out at 4 and 5 per cent., thus greatly increasing the profits of the bankers.

If we estimated the unnecessary friction at only one per cent. per annum, it would amount, in Scotland, to about £250,000 per annum, or two fifths of the sum paid as interest in 1831. When it is known that "more than one half of the deposits" are "in sums from ten pounds to two hundred pounds,"\* and are the property of labourers, smaller tradesmen, &c., it will be seen how important would be the saving of this amount by an improvement of the machinery.

The comparative freedom of the trade in money has been accompanied by a gradual increase in the number of places at which it is carried on. The prudence with which the banks have been conducted has inspired confidence to such an extent as to induce the smaller owners of capital to place it on deposit, and the small trader and the labourer to have implicit faith in paper money. The consequence is that the total circulation is little more than £2 per head, and of that sum a very small portion consists of coin. The growth of improvement in Scotland has been greater than in any other portion of Europe, and is to be attributed in a great degree to the comparative absence of restraints upon the employment of capital. Were all restrictions abolished, her growth would be still more rapid. Those who now obtain  $2\frac{1}{2}$  per cent. would then have four, and many who cannot now obtain the aid of capital would then do so. The amount invested in the *English funds* would be smaller, and that applied to the improvement of *Scottish agriculture and manufactures* would be larger. Production would be increased, and both capitalist and labourer would be benefited.†

\* McCulloch, Dictionary of Commerce, p. 89.

† The comparative security of the Scottish banks results from the fact that a very large portion of their capital is not employed at home. Their managers transfer a large portion of their deposits to the exchange of London, to be invested in the public funds. When those deposits are large, they purchase freely there, and thus increase the difficulty of investment in England—increase the deposits in the Bank of England—and increase the risk of change. When called upon for a return of the deposits—in consequence of its investment by the owners in foreign

In New England, there is almost literally no capital not directly employed for the advantage of its owners. The whole sum on deposit and in circulation is merely that which is required from hour to hour by them. The class of persons who in Scotland place their capitals on deposit, in New England purchase stock, and they obtain as dividend the same rate of interest that is paid by the borrower, the expenses being paid by the profit of circulation as we have seen. Here there is the friction of a fine locomotive upon a well built rail road. How far this system has the tendency of collecting and bringing into activity the small amounts of capital that might otherwise remain idle and unproductive, as is the case when roads are bad and communications difficult, with the small surplus of the occupants of farms of two, three, or five acres, who cannot find market for their eggs or their milk, will be shown by the following statements.

It appears from careful examination, that of the stock of all the banks in Portsmouth, New Hampshire, six in number, and comprising an aggregate of 11,045 shares, there are owned by

Females,	-	2433 shares.	Mariners,	-	434 shares.
Mechanics,	-	673	Merchants,	-	2038
Farmers and labourers,	-	1245	Traders,	-	191
Savings' bank,	-	1013	Lawyers,	-	377
Guardians,	-	630	Physicians,	-	336
Estates,	-	307	Clergymen,	-	220
Charitable institutions,	-	548			
Corporations and State,	-	157	Total shares,	-	11,045
Government officers,	-	438			

Six other banks in New Hampshire show about the same proportion of ownership between the different classes.

The whole number of stockholders of the *Bank of Utica* (New York,) is one hundred and ninety-one, of whom

28 are Farmers.	4 Civil engineers.
18 Merchants.	3 Bank officers.
15 Trustees of estates, executors, or guardians.	2 Officers of the United States Navy.
45 Females, generally unmarried, or widows.	1 Broker.
1 Clergyman.	1 Presbyterian church.
9 Lawyers.	1 School district.
1 Physician.	17 Aged persons retired from business.
9 Manufacturers or merchants.	27 Unknown, residing out of the State.
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More than one fourth of the whole capital stock of the banks in the State of Massachusetts is held by females, trustees, guardians, executors, and administrators, and institutions for savings. The apportionment is as follows:

Amount of stock held by females,	-	-	\$ 3,834,011	83
" " " trustees,	-	-	2,625,616	67
" " " guardians,	-	-	588,045	17
" " " savings' institutions,	-	-	2,255,554	33
" " " executors and administrators,	-	-	692,519	17
			\$9,995,747	17

loans, or securities, they sell out in London, and thus increase the pressure.\* The disadvantage of the system is in most respects similar to that of England,† but its effects in causing violent changes are felt chiefly in the great market and its vicinity. Were Scottish capital more extensively applied to the improvement of Scottish cultivation or manufactures, the injurious as well as the advantageous effects of the system would be more extensively felt at home.

\* "In times of prosperity they push out their notes and credits to an undue extent, and are consequently compelled to diminish them as violently, when circumstances alter."—*Remarks on Currency*, by G. W. Norman, p. 62.

† "In periods of commercial difficulty, no country is said to suffer from insolvency more severely than Scotland."—*Ibid.* p. 61.

It is impossible to conceive of a system more purely democratic, more perfectly fair, just, and equal than that of banking in New England. It is a system of savings' banks. In England, it is deemed disadvantageous to have joint-stock banks with shares of £5 or £10, lest they "degenerate into mere savings' banks"—in which "servant-men and women and little tradesmen will put their money."\* Banks with unlimited liability are anxious to present the names of "men of rank and fortune"† as shareholders, the credit of the institution resulting from the power on the part of the creditors to look to their private fortunes. Banks of limited liability invite "little tradesmen" and even "servant-men and women" to become stockholders, the credit of the institution depending upon the extent of its capital, and not upon the rank or fortune of the proprietors.

The banks of Massachusetts have received on deposit the surplus funds of the people, and they have paid them over as required, or they have transferred them from the account of one to that of another. They have furnished a circulating medium more convenient than gold. The people of that State have enjoyed the advantages resulting from the credit system more completely than those of any other part of the world, except Rhode Island; their labour has been aided thereby as much as by their turnpikes and rail roads; and the *toll* has been almost nothing. The owners of bank stock have received common interest, (six per cent.,) for the use of their capital, and, in addition, each institution has received on an average \$5000 per annum for the payment of its expenses and losses in thus doing the business of the people. A commission of one hundredth of one per cent. upon the transactions facilitated by them would have amounted to a much larger sum. There is scarcely any friction whatever. The stockholders thus perform numerous and important duties for the community, and they give as security for the faithful performance thereof the whole amount of their respective interests in the institutions. The security being thus limited, they perform those duties almost without charge. Were their responsibilities increased, their charges would more resemble those of the joint-stock banks of England.‡

Leaving New England and passing south, we find, as has already been shown, a constant increase in the dividends of the owners of bank stocks, and an equally constant increase in the capital of others remaining in bank in the form of deposits, to be employed for their benefit. Nevertheless, the tendency towards freedom of action is such as to render it necessary for all to endeavour to accommodate the public at moderate cost, and so to conduct their business as to enable them to do it.

We have before us a statement of the operations of the Girard Bank in Philadelphia, an institution now having a capital of \$5,000,000, but which had originally \$1,500,000. In about five years and a half it discounted bills to the amount of \$85,931,000, being an average of about \$16,000,000 per annum. In 1836, it transacted domestic exchanges to the amount of \$43,000,000. During a considerable portion of the time it was one of the fiscal agents of the government, for which it received and paid out \$14,000,000, and paid twice a year above 2000 invalid pensioners. It was, in addition to all this, agent for numerous distant institutions, of the capital of which upwards of \$1,000,000 stood on the books kept by its clerks.

The total amount of its expenses, including those attendant upon the organization of the institution, the engraving of its notes, &c., has been \$185,000, or an average of \$33,700 per annum, being less than double that of the Norfolk and Norwich Bank, with a capital of £17,000—little more than one fourth of that of the Northern and Central Bank—and exceeding by a very small amount that of *two branches*

\* Report on Joint-Stock Banks, 1836, p. 128.

† Ibid.

‡ The Bank of Hamburg charges nearly one half per cent. on all moneys that pass through its hands.

of the Bank of England, whose whole receipts for interest and commissions do not amount to £7000.

The usual rate of interest is 6 per cent. per annum. The stockholders of the Girard Bank have had 7 per cent. Thus, between the people and the stockholders, and between the stockholders and their agents, there is a very small amount of friction.

We have also a statement of the operations of the Bank of the United States in 1832, from which it appears that the total amount of transfers of funds from one part of the Union to another, in that year, was \$255,000,000, and that the total charge to the public for this amount of accommodation was but one twelfth of one per cent.\* When the great extent and scattered population of the American Union, and the consequent difficulty of transferring money from one part to another, are considered, it must be admitted that no parallel to this can possibly be found. Here is a charge averaging but five days' interest over this vast country, whereas in England, densely peopled as it is, the bankers issue, as cash, post notes payable in London on the ninth day, making a charge nearly twice as great as the average of the United States. From Edinburgh to London we believe it is thirty days, or six times as great.

The bank had twenty-seven branches, scattered over a surface of 750,000 square miles. It was the fiscal agent of the government, collecting and disbursing the whole of the public revenue—paying the interest on the national debt—paying during many years about 20,000 pensioners—transferring in a single year, as has been shown, \$255,000,000, independently of the business resulting from the large amount constantly invested in public and private securities—yet the average expenditure of this immense concern has been only \$381,181, being less than one and one tenth per cent. upon the capital, and about five eighths of one per cent. upon the average amount of investments. The total amount of *expenses and losses* does not exceed one and one fourth per cent. upon the amount of loans, and if we take the last fifteen years it does not amount to one per cent.

It may safely be asserted that there is no instance to be found in which a business so large and so widely scattered has been transacted with so small loss—in which the community has been so largely benefited at so small cost—in which the cost of management has been so small—in which there has been so nearly a total absence of friction, as in the case now offered for consideration. It was a nearer approach to perfection than the world had ever seen, or than probably will soon

\* The following case, given in the Report of the Select Committee on Postage, shows a very different state of things in Great Britain.

"I have, (says Mr. Dillon,) a bill here upon Edinburgh for £25, and if that were our only transaction, or if it were the transaction of a small tradesman, having no other, he must send that bill to a banker in Edinburgh, which would be a double postage; he would receive another bill on London in exchange, which would be another double postage; and he is bound, by the course of business, to send a letter of advice; that would be five postages of 1s. 1½d. each, incurred upon a two months' bill of £25. In all probability there would be a sixth postage, in acknowledgment to the banker. This amounts to more upon a two months' bill of £25 than the discount for the time."

In addition to all these expenses, the owner of the bill would lose perhaps thirty days' interest upon the bill on London remitted him in payment. The same "small tradesman," living in any town in the United States in which there was a bank, could obtain payment of a bill due in almost any other town, distant 1000 or 1500 miles, in which there was also a bank, at *less cost*, and without the trouble of writing or reading letters. Throughout a large portion of the Union there was *no charge whatever*, and the *highest rate* charged by the Bank of the United States, in making collections from *any one part of the Union to any other part*, was only thirty days' interest.

again be seen, unless the people, by their representatives, shall see the propriety of restoring to all men the right of associating and of trading together on such terms as they may deem most advantageous.

On a review of the operations of the United States, the reader will be satisfied that at no period, nor in any nation, has so large an amount of service been rendered at so small a cost as by their banks. They have brought the owner of capital into direct communication with the active, the industrious, and the enterprising, who desired to use it, and the cost of management has been so small as scarcely to deserve notice. They have enabled the owner of a single hundred dollars to trade on the same terms as the owner of millions, and with a security so nearly complete that none have feared to invest their savings, and thus they have acted as savings' banks of the best kind. They have furnished facilities for the transfer of property from hand to hand, and from place to place, more complete than exist in any part of the world, and thus have acted as great labour-saving machines. By their aid labour has been rendered productive, and both labourer and capitalist have experienced the advantage in a constant increase of reward for their time, their talents, and their capital.

In opposition to this is the fact, that there has been unsteadiness in their operations. We do not, however, find this to so great an extent as in the Bank of France, which increased its loans from 151 millions in 1832, to 760 millions in 1836; nor to so great an extent as in the Bank of England, which increased its loans from 17 millions in 1823, to 33 millions in 1826. This disadvantage exists with those institutions to an extent greater than has ever been experienced in the United States, while they afford in return fewer advantages, and at far greater cost. It is a disadvantage that must continue to be attendant upon the system of granting, as privileges, the powers that should be exercised by all men as rights. It has its origin in the erroneous idea that banking is different from all other trades; that it affords the means of making large profits; and that the right to bank should be held as a privilege to be sold to a few individuals. Communities, acting under this false impression, demand large *bonuses* for its use, *thus imposing upon the parties a necessity for trading much beyond their capital*; and when inconvenience results therefrom, the error is attributed to the bankers; whereas, it belongs to the community, who limit the number of bankers, and thus close one of the markets for capital, while they make it the interest of those to whom they grant the privilege to act in a manner that shall render capital superabundant, to remain in their hands as deposits, yielding no profit to the owners. In proportion as we find that idea disappearing, we find the States enjoying the advantage without the disadvantage, and that in Rhode Island\* there exists a system less liable to change than in any country in the world. Such will be the case throughout the Union, and throughout the world, whenever the existing restrictions shall come to be abolished, as we doubt not they soon will be.†

\* However sound may be the system of Rhode Island, her merchants are still liable to loss and failure from error in the system of New York or Pennsylvania. In the late convulsion, most of the failures of that State arose out of the irregular action of the banks south and west of that State, and would have been produced if their own banks had not changed their operations in the slightest degree. Under a good system aid may be rendered to those who suffer from error in that of other States or countries; whereas, under a bad one, the error of other States or countries is increased, and the banks, instead of aiding others, are compelled to confine their regards to themselves.

† For an examination of the causes of the recent agitation in the monetary system of the United States and England, the reader is referred to a pamphlet by the author of this work, entitled, "The Credit System, in France, England, and the United States."

The *average* quality of labour is higher in the United States than in England. It is higher in the latter than in France, and it is lowest in India.

In England, however, we find cultivation and manufactures carried, in many cases, to a much higher degree of perfection than in the United States. The machinery by which the operations of the horticulturist are aided, is vastly superior to that which exists generally in the latter, and, in like manner, the quality of labour applied to the production of the finest cottons and silks, of fine cutlery, of mathematical instruments, of engravings, &c., is much superior. The number of persons employed in the production of the commodities of the finer descriptions, is, however, small, while that applied to the production of those used by the labouring classes is large, and it is to the latter that we must chiefly look to ascertain the *average* quality. The average of credit in the United States is higher than in England, yet that which is enjoyed by some of the eminent houses of the latter exceeds that of any house in the former, in being more universal.

In like manner, although the average education of the United States is higher than that of England, the latter presents us with a greater number of persons occupying an elevated position in the world of science and of letters, than the former.\* Such is the natural course of things. England possesses the advantage of the accumulations of past times, and with the increased and increasing density of population she is enabled constantly to add to them. While the people of Ohio are engaged in building school-houses, she erects galleries of art; while they form village libraries, she enlarges the British Museum, or the libraries of Oxford and Cambridge. Men who desire to cultivate their minds—to increase their knowledge of science—to become painters or engravers—resort thither, from all countries, for instruction. The works of her authors, painters, and engravers, are in demand in every part of the world, and thus the possessors of talent in those departments of production have the strongest inducement to exertion.

London is the centre of the civilized world, whereas, New York, Philadelphia, and Boston, are the centres of but small portions of it. The author or the painter of the United States looks to England for his reputation, and attaches to her approbation

\* "If he only singles out the learned, he will be astonished to find how rare they are; but if he counts the ignorant, the American people will appear to be the most enlightened community in the world."—*De Tocqueville, Vol. II. p. 249.*



the same value as the author or painter of Pittsburgh, or St. Louis, attaches to a Philadelphia or New York reputation. The American, if his works be approved, resorts to England, because when there he writes from a point towards which all eyes are turned; and the author of the west resorts to Philadelphia, or New York, or Boston, because from those points he can address the whole people of the United States. On a former occasion,\* we showed the tendency of material capital to centralize itself, and here we find the same result as regards intellectual capital.

The possessor of a few hundred dollars removes to the outskirts of a city, or to the lands of the west, with a view to find an opportunity for employing it with advantage, while the owner of millions resorts to Wall street, or to the London Exchange, secure of deriving there a larger reward for his capital than he could do in the outskirts of a city, or in the new States of the west.† The man who desires to employ his pen, and who possesses only the ability to conduct a country newspaper, removes to the interior, while the man of talent leaves his country paper to take charge of one in a city.

The dauber of portraits leaves the city to travel the country in search of employment, while the painter removes to Philadelphia, New York, or London. The inferior lawyer, physician, surgeon, dentist, or merchant, removes to the west, while the superior one leaves the west and settles in those places in which population is dense; where the means of production are great; where talent is most appreciated, and best paid; and where reputation, when acquired, is worth possessing.

This concentration of talent should produce the same effect upon the general mind that the concentration of capital produces upon

\* Vol. I. p. 100.

† Owing to the constant investment of capital for the benefit of property in the centre of London, New York, or Philadelphia, it has acquired a value so great that the man of small capital, or of moderate talent, cannot afford to pay for a place in which to exercise his talents, and therefore, although born there, he removes to the outer parts of the town where he obtains one fitted to enable him to use his capital advantageously. In that vicinity he may find a neighbour who, although born in the outskirts, has accumulated capital, and feels a confidence in his own ability that warrants him in seeking a larger field for the employment of both. In the same way the owner of a small capital, which he desires to invest in agriculture, cannot purchase a farm near London, or New York, because it is a machine to cultivate which with advantage requires greater capital or skill than he possesses, and he therefore removes westward in quest of a place upon which his small capital may be advantageously employed; but the agriculturist of large capital would not benefit by quitting the vicinity of London or New York, for Indiana or Illinois.

the productive powers of the labourer. The quality of labour should improve as it approaches London, or any other centre of capital and intelligence, and comes within the influence of the powers that are there exerted. Such is the case as we compare various parts of England and the United States, one with another.\*

In Massachusetts and Rhode Island was commenced the manufacturing system of the United States, which has gradually passed through New York, and Pennsylvania, to the banks of the Ohio. If we compare the factories of New England with those of New York and Pennsylvania, we find the former superior to the latter, which are in their turn superior to those of the west. The manufacturing labour of Massachusetts is of the highest quality, and is best paid. In literature we find the same result. When only school books were printed in Massachusetts, New York, and Pennsylvania, the British press supplied the demand for Rollin and Plutarch, for Johnson and Addison, and for the dictionaries of Ainsworth and of Boyer. Those works are all now produced in Atlantic States, together with a vast variety of works of miscellaneous literature, and the States of the west are now supplying themselves with a portion of the school and other books, for which they formerly looked to Philadelphia, New York, and Boston. Cincinnati has now her printing offices, her stereotype foundries, and her paper mills, and gives to the valley of the Mississippi, a constant supply of school books, works of religion, medicine, &c. When the authors of Massachusetts produced only school books, those of New York and Pennsylvania were few in number, and those of

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\* If the quality of labour be thus improved with the increase of capital and of population, not less effect is produced upon the feelings of man towards his fellow man. The single trader, lawyer, physician, or teacher of the village, struggling for existence amidst a scattered population deriving a bare subsistence from the superior soils, regards the new settler who attempts to trade, or to practise law or medicine, or to increase his means of support by giving instruction, as a rival whose success must be attended with his own ruin. In a state of society a little further advanced, the author of a spelling book, of a dictionary in general use, hears with horror that it is proposed to publish a rival work; and still later the professors of law or of medicine, of moral or of natural philosophy, are equally alarmed by the idea that a rival school is in contemplation. With the increase of population, the merchant, the lawyer, and the physician hail the arrival of a man of talent, as making an important addition to their society; the author feels that there is room for all that may think proper to write, and is pleased to see the constant increase of talent; and the professors gradually lose the feeling that their own emoluments are liable to be reduced, except as a consequence of their own want of ability.



Ohio and Kentucky were not in existence. Now that Massachusetts gives to the world the works of Channing, and of Story, the first translation of Laplace's *Mechanique Celeste*, and of Cousin's *Metaphysics*, New York and Pennsylvania follow her in the course, and the authors of Ohio produce school books, occupying the same position now as did those of Massachusetts some thirty years since.

Were the manufacturer of Ohio to attempt to produce some of the commodities now produced in Massachusetts, he would be ruined, because the demand would not be sufficient to warrant the investment of the capital required for their cheap production. His sale would be small, and to indemnify himself he would require to retain *too large a proportion* of the commodities produced. Such would be the case, if the manufacturer of Massachusetts attempted to rival the fine cottons of England or of France. Such would be the case, if the author of St. Louis or Cincinnati attempted to publish novels or poetry. He may produce school books, but he cannot, as yet, ascend higher in the scale. Such would be the case in Philadelphia or Boston, if their authors attempted to produce many of the works issued in London or Paris. Their sales would be small, and they would require *too large a proportion* of the proceeds, to indemnify them for their time.

We have shown,\* that as material capital increases, the *proportion* taken by the capitalist is *constantly diminishing*, but that he obtains a constantly increasing reward for his labour. Such is also the case with intellectual capital, whether consisting of the skill that is required for the production of boots, and shoes, of houses, churches, and factories, of pictures or books. The skilful mechanic, in a small town, is compelled himself to labour, because the demand for his commodities is not sufficient to enable him to employ workmen under him. He removes to a large town, in which the demand is great, and where he has 20, 30, or 50 workmen under him, and makes his fortune by taking a small per centage, whereas, when he retained the whole, he could with difficulty obtain the means of subsistence. The bricklayer or carpenter of the village becomes the architect of the city, and is content with five per cent. of the capital invested under his direction. The author who, a century since, could not have lived upon the whole proceeds of the sale of his book, becomes

\* Part I. Chapter VI.

rich upon a small per centage,\* and the painter, when he has obtained celebrity sufficient to cause a demand for engravings made from his pictures, makes his fortune out of an allowance of a shilling or two for each copy sold. It is obvious that a very small *proportion* of the proceeds of a work of art published in London, would indemnify the author much better than a large proportion of the proceeds of a similar one published in Boston, or a *still larger proportion* if published in Cincinnati. Such is the advantage of an old and densely peopled country, in which capital has been permitted to accumulate.

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In passing from the United States to France, England, and India, we should find, with the increasing density of population, a constant improvement in the average quality of labour, yet such is not the case. The reason why it is not, is to be found in the fact that person and property have not been equally secure in all, and capital has not been permitted to grow with the same rapidity. Had the almost countless millions, wasted by some of those countries in ruinous wars, been applied to the improvement of machinery of production; had the labourer been enabled to purchase a plough with the savings of one year, and a horse with those of a second, he could have purchased land with those of a third, and with those of a fourth or fifth he might have become the owner of a house, whereas he has been compelled to pay it for the support of men who were employed in destroying the property

\* The cause of the present difficulty in regard to copy-rights in France and England, is that the authors and publishers think that the way to obtain a large remuneration is to demand for themselves a *large proportion* of the selling price of the books. The consequence of this course is, that books are too high in price, and the sale is limited. Were they sold at reasonable prices, the demand would be immensely increased; both author and bookseller would take a *small proportion* of the price, but they would have an *increased reward*. The authors and publishers of the Penny Magazines and Cyclopædia take a *small proportion*, but they are largely rewarded. Sir Walter Scott would have been a much richer man, had his books been sold at lower prices. In every other pursuit, men look for large rewards from *small proportions*, and there is no more reason for doing so, in relation to a patent for smelting iron, than in regard to a novel by the author of Pelham. We stated on a former occasion, (*Part I. p. 89.*) that the *more perfect the machine the smaller was the proportion required for its use*. Such is the case uniformly. The *proportion* received by the Chancellor of England as compensation for deciding the important questions brought before him is smaller than that received by the smallest judge of the smallest court in the kingdom, and the *proportion* required by the engraver of the finest steel-plate in London, is probably not one tenth as great as is required for the use of the worst copper-plate engraved in Ohio.

of their neighbours, thus depriving those neighbours of the power of producing commodities to exchange with him. If the reader will now turn to Chapter IV., and estimate what would have been the effect of so applying the vast capital thus wasted, he will not be at a loss to understand why the labour of India and France should be so inferior in quality to that of England, nor why that of the United States, with their scattered population, should be superior to that of England, enjoying as she does all the advantages resulting from a dense population, and from the possession of libraries, galleries, and every other means of improving the mind, and exciting a desire for *improvement of condition, moral and intellectual*.

It is usual to attribute the productiveness of the labour of the United States to the abundance of land; but it will be obvious to the reader that *that circumstance not only could have no beneficial effect upon labour employed in manufactures or commerce, but that on the contrary, if it produced any effect, it would tend to prevent the people from engaging in either*. If it really tended to enable men to make high wages, the capitalist who desired to build a ship would know that men who sailed in it must have as high wages as they could obtain by employing themselves in cultivation, and that as he possessed no advantage over the owner of capital in England, *it would not be possible for him to pay such wages and retain any profit for himself*. He would therefore be deterred from engaging in manufactures or commerce, until the increased density of population had reduced wages to that point that would enable him to do so profitably. *If, on the contrary, the productiveness of labour was due to the security that existed, and to the consequent facility with which capital was accumulated, we should find a constantly increasing disposition to apply capital to both commerce and manufactures, with a constantly increasing reward of labour, as we see daily to be the case*.

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We now submit to the reader the following propositions—

I. That security of person and property is indispensable to the productive application of labour, and to the power of accumulating capital.

II. That with the increase of capital, man is enabled to live in closer connexion with his fellow man, and to obtain increased security, at the cost of a *constantly diminishing proportion* of the product of his labour.

III. That, therefore, with the increase of population and of capital, there should be a constant increase in the power of produc-

tion, attended by the power of appropriating a *constantly increasing proportion* of that product to the further increase of his capital.

IV. That war tends to diminish security, and to lessen production, while it tends to *increase the proportion* required for the maintenance of government.

V. That, therefore, war tends to *diminish the quantity produced*, and to *diminish the proportion* of the product that can be applied to the further increase of capital, by which labour would be improved in its quality.\*

VI. That the quality of labour should be in the ratio of the density of population, as is found in comparing the different parts of the United States, or of England, one with the other.

VII. That a constant succession of wars, and a great unproductive expenditure, may prevent improvement in the quality of labour, as is shown in the case of Hindostan, or greatly retard it, as is shown in the cases of England and France.

VIII. That steady perseverance in a pacific policy and limited expenditure may enable a nation, with limited population, to improve the quality of its labour so rapidly as to place it in advance of the older nations of the world, as is shown in the case of the United States.

We have seen that the labour of the people of the United States, under the disadvantage of being widely scattered, is of higher quality, or more fully aided by capital, than that of France, England or India, with all the advantages resulting from a dense population, and the vast accumulation of past times. We have here evidence how far the beautiful laws of nature may be coun-

\* A recent writer says: "There are two ways in which the gradual decline of profits may be counteracted. One is, that if, from any cause, the further accumulation of capital is prevented, its profits will be stationary; and if population has been at the same time progressive, capital being then more in request, will even become more valuable, though labour has at the same time declined in value. Such checks to accumulation may easily exist. A series of wars may at once so increase expense and lessen production as to prevent an increase of the natural capital."—*Laws of Wages, Profits, and Rents, investigated by G. Tacker*. In India, the accumulation of capital has been entirely prevented. In France, it has been very slow. In England, it has been rapid. In the United States, it has been more so; yet in the exact ratio of the growth of capital, is the condition of the capitalists in the two latter better than in the two former. Thus, when wars have prevented the growth of capital, the situation of the capitalist has been deteriorated. There is no difference whatever in the measures that would be dictated by a regard to the interests of the labourer or the capitalist.

teracted by man; how far security may be diminished, and the power of production lessened; how far improvement in the *quality of labour* may be prevented by the pursuit of *glory*.

We shall now inquire how far improvement in the quality of labour has been attended by a diminution in its *quantity*, or in the severity of its application.

## CHAPTER VI.

QUANTITY OF LABOUR.—INDIA.—FRANCE.—ENGLAND.—  
UNITED STATES.

As the *quality* of labour is improved, there is a steady diminution in the *quantity* that is required to enable the labourer to obtain the necessaries of life. The savage endures exposure of every kind, in the hope of obtaining food sufficient to support existence, but he is incapable of regular exertion, and if successful in the chase, he spends his time in idleness, until compelled by the fear of starvation to renew his labours. The people of "merry England," in the time of Henry II., of Richard, and of John, were in this respect but few degrees advanced in civilization. A large portion of their time was spent in idleness and want; they wandered over the land seeking a precarious existence; harvest came, and brought with it employment, the produce of which was wasted, when they were compelled to resort to plunder, until a new harvest brought new supplies, to give them new means of indulgence. The steady improvement that has since taken place in the means by which labour has been aided as cultivation has been extended over the inferior soils, has tended to diminish the severity of labour, and to increase its reward. Instead of occasional and severe application, labour is regularly applied in employments requiring comparatively little exertion, and with every diminution in the quantity of exertion required, there is an increase in the ability for steady application, increase in the return thereto, accompanied by improvement in the modes of living, and a constant increase in the desire for further improvement, and in the willingness to labour for its accomplishment.

IN INDIA, we find the situation of England in olden time. Men, women, and children are compelled to labour in the field,\* at the time of harvest, obtaining scarcely the means necessary for supporting existence. Their holidays are numerous, because they have not the means of employing their time advantageously.†

\* See page 129, *ante*.

† "The established annual holidays in Protestant countries, are between fifty and sixty. In many Catholic countries they exceed one hundred. Among the  
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IN FRANCE, we find the condition of England at a later period. Women labour in the fields, performing those services, from which in England and the United States they are exempt. At Lyons, they work at hand-loom, and are the weavers of the chief part of the lower priced plain stuffs.\* The hours of labour are sixteen,† and when the demand is active, it is usual to work eighteen or twenty.‡ As is generally the case when labour is severe, the number of established holidays is considerable, and is greatly increased by the *irregular* ones.§ They endeavour to make amends for this, by longer application, when they do labour, but they have not the steadiness of English labourers, and the product is far less, even when aided by similar machinery.||

Hindoos, they are said to occupy nearly half the year. But these holidays are confined to a certain portion of the population; the labour of a sailor, or a soldier, or a menial servant, admits of scarcely any distinction of days.—*Senior. Lecture on Wages, p. 11.*

\* Bowring's Second Report, p. 35.

† "The greater part of the workmen are confined from fourteen to sixteen hours in a workshop, in which the air is foul; the chief part of them receive wages insufficient to supply the necessities of life, and notwithstanding numbers are unable to obtain employment."—*Villeneuve, t. II. p. 64.*

‡ Bowring's Second Report, p. 37.

§ See page 213, *ante*.

|| "Many of the witnesses examined by the Committee on Artisans and Machinery, (Session of 1824,) were English manufacturers, who had worked in France. They agree as to the comparative indolence of the French labourer, even during his hours of employment. One of the witnesses, Adam Young, had been two years in one of the best manufactories in Alsace. He is asked, 'Did you find the spinners there as industrious as the spinners in England?' and replies, 'No; a spinner in England will do twice as much as a Frenchman. They get up at four in the morning, and work till ten at night; but our spinners will do as much in six hours as they will in ten.'

"'Had you any Frenchmen employed under you?'—'Yes, eight, at two francs a day.'

"'What had you a day?'—'Twelve francs.'

"'Supposing you had eight English carders under you, how much work could you have done?'—'With one Englishman, I could have done more than I did with those eight Frenchmen. It cannot be called work they do: it is only looking at it, and wishing it done.'

"'Do the French make their yarn at a greater expense?'—'Yes; though they have their hands for much less wages than in England.'

"Mr. Edwin Rose, who had been practically employed as an operative engineer, in different factories in France and Germany, on being examined by Mr. Cowell, stated distinctly that it took twice the number of hands to perform most kinds of factory work in France, Switzerland, &c., that it did in England; and that wages there, if estimated by the only standard good for any thing—that is, by the work alone—were higher than in England!"—*McCulloch's Statistics of British Empire, Vol. II. p. 84.*

The following remark, made by a Frenchman in relation to the English workmen, will perhaps apply with even greater force to those of the United States.

"M. Roman, delegate from Alsace to the Commission of Inquiry, who has tra-

The consequence of this state of things is, that capital increases slowly and the workman is unable to obtain those machines which would render his labour productive and diminish its severity, while it enabled him to obtain increased wages, and to improve his condition morally and physically;\* he is unable to give to his children the time that is necessary to enable them to obtain education,† and son succeeds to father in the same employment, without the hope that his labours will enable him to do more for his children, than has been done for himself.‡

IN ENGLAND, we find the average quality of labour higher than in any other part of Europe, yet we find the hand-loom weavers, working fourteen or sixteen hours per day, "demoralized and reckless," and approaching the condition of savage life, spending a part of the week in idleness, although the severest exertion during the remainder will barely afford them the means of subsis-

velled in England to inspect our manufactures, said, with much justice—'Il y a, dans l'ouvrier Anglais, un espèce de croisement du caractère Français et du caractère Allemand, un mélange de Saxon et de Normand, qui lui donne, en même temps, l'attention et la vivacité.'—*Baines*, p. 513.

\* M. De Villeneuve is of opinion, on the contrary, that what he terms *the English system*, "is based upon the concentration of capital, of commerce, of land, and of industry; upon great production; upon universal competition; upon the displacement of human labour by machinery; upon the reduction of wages; upon the perpetual excitement of physical wants; upon the moral degradation of man."§ He thinks that the germs of poverty and of trouble existing in France, result from imitating the system of their English neighbours,|| in introducing machinery by which labour is rendered more productive while less severe. He thinks that the distresses of France result from over production,¶ and is of opinion that the remedy is to be found in diminishing the quantity of machinery, and increasing the quantity of labour\*\* required for the production of any given quantity of commodities. According to the political economists of this school, the more severe the labour, and the smaller the product thereof, the more nearly does the system approach perfection.

† "Experience proves that most workmen, who are fathers of families, will only consent to send their children to school during the years when they can earn absolutely nothing, and that they are withdrawn as soon as their weak arms will enable them to earn a few centimes, and that it is to this deplorable abuse of paternal power, goaded by poverty, that we should attribute the moral and physical weakness that is here exhibited at all stages of life."—*Report of the Prefect of the Department of the North. Villeneuve*, t. II. p. 78.

‡ "M. de Berthier gives a touching picture of the workmen employed in the old forges of the Nievre. They are the people of the place, who, from father to son, are engaged in the same occupation. Such a one, whose ancestors cut wood three hundred years since, still cuts wood; another whose ancestors then laboured in the mines, in the forges, or in the furnaces, will see his grand-nephew occupy his place."—*Dupin*, t. I. p. 302.



tence.\* It is unnecessary to give here the statements that have been published in regard to the length of time that workmen, and particularly the younger class of labourers, were required to be employed, and which have given rise to various laws for the regulation of factories, before referred to. The hours of employment are now reduced to 69 per week, and those below 12 years of age to 8 hours per day, and the necessary consequence is that those who are capable of performing full work must either remain idle, or by fraud obtain a certificate that they have attained the age required by the law.† Were capital permitted to accumulate, instead of expending it in maintaining large fleets and armies, the people would themselves fix their hours of labour.

With every increase in the facility of production, there has been a diminution in the severity of labour, accompanied by improved habits of thinking, increased wants, and increased disposition to gratify them, by *its steady and regular application*. Labourers of all descriptions have found their condition improved. Male labour has been applied to the production of machinery, while that of females has been applied to its superintendence. In most parts of the country‡ females no longer

\* “‘The hand-loom weavers,’ says Dr. Kay, speaking of those living in Manchester, ‘labour fourteen hours and upwards daily, and earn only from five to seven or eight shillings per week. They consist chiefly of Irish, and are affected by all the causes of moral and physical depression which we have enumerated. Ill-fed, ill-clothed, half-sheltered, and ignorant—weaving in close, damp cellars, or crowded, ill-ventilated workshops—it only remains that they should become, as is too frequently the case, demoralized and reckless, to render perfect the portraiture of savage life.’ The statement that the weavers work fourteen or sixteen hours per day, has been so often made, that it is now generally believed. The fact, however, is, that they work these long hours only two or three days in the week, and they generally, notwithstanding their poverty, spend one or two days in idleness; their week’s labour seldom exceeds fifty-six or fifty-eight hours, while that of the spinners is sixty-nine hours. This irregularity on the part of the weavers is to be ascribed in some degree to the wearisome monotony of their labour, from which they seek refuge in company and amusement; and also to their degraded condition, which makes them reckless and improvident.”—*Baines’s History of the Cotton Manufacture*, p. 485.

† “The public are scarcely aware that children under eleven are required to produce a certificate of their age from a surgeon; still less do they know that this surgeon is empowered to exact sixpence for each certificate; or that when the child, as is frequently the case, is transferred from one factory to another, a fresh certificate is necessary. The children of Manchester alone have thus been taxed, within a twelve month, to the extent of 520*l*. In two districts, the sum of 4000*l*. has been thus wrung from the wages of the children within eleven months.”—*English Journal*.

‡ The following account of rural life in Northumberland and Durham, proves how much more slowly the condition of the women has improved in the border

work in the fields, and the period of their labour in factories, is in general closed with matrimony.\* Such having been the case, it requires only a continuance of peace, and a diminution of expenditure, to secure a constant increase in the growth of capital, attended by a constant diminution in the severity of labour.

counties than in those more southern counties in which security of person and property was earlier established.

"A person from the south, or midland counties of England, journeying northward, is struck, when he enters Durham or Northumberland, with the sight of *bands of women working in the fields under the surveillance of one man*. One of two such bands, of from half a dozen to a dozen women, generally young, might be passed over; but when they recur again and again, and you observe them wherever you go, *they become a marked feature of the agricultural system of the country*; you naturally inquire how it is that such regular bands of female labourers prevail there. The answer in the provincial tongue is, 'oh, they are the bone ditches,' i. e. *bondages*. *Bondages!* that is an odd sound, you think, in England. What! have we bondage, a rural serfdom still existing in free and fair England! Even so. The thing is astounding enough, but it is a fact. As I cast my eyes for the first time on these female bands in the fields, working under their drivers, I was, before making any inquiry respecting them, irresistibly reminded of the slave gangs of the West Indies. Turnip hoeing, somehow, associated itself strangely in my brain with sugar-cane dressing; but when I heard these women called 'bondages,' the association became tenfold strong. *On all the large estates in these counties, and in the south of Scotland, the bondage system prevails*. No married labourer is permitted to dwell on these estates, unless he enters into a bond to comply with this system. These labourers are termed hinds; small houses are built for them on the farms, and on some of the estates, as those of the Duke of Northumberland; all these cottages are numbered, and the number is painted on the door. A hind, therefore, engaging to work on one of the farms belonging to the estate, has a house assigned him. He has £4 a year in money; the keep of a cow; his fuel found him; a prescribed quantity of coal, wood, or peat, to each cottage. He is allowed to plant a certain quantity of land with potatoes, and has thirteen bolls of corn furnished him for his family consumption—one third being oats, one third barley, and one third peas. In return for these advantages he is bound to give his labour, the year round, and also to furnish a woman labourer at 1s. per day, during harvest, and 8d. per day for the rest of the year. Now, it appears at once that this is no hereditary serfdom; such a thing could not exist in this country; but it is the next thing to it, and no doubt has descended from it, being *serfdom in its mitigated form*, in which alone modern notions and feelings would tolerate it. It may even be said that it is a voluntary system; that it is merely married hinds doing that which unmarried farm-servants do every where else—hire themselves, on certain conditions, from year to year. The great question is, whether these conditions are just and favourable to social and moral improvement of the labouring class; whether, indeed, it be quite of so voluntary a nature as at first sight appears—whether it be favourable to the onward movement of the community in knowledge, virtue, and active and enterprising habits."—*Howitt. Rural Life of England*.

\* "It has been said that few married women work in factories. This is at variance with truth, and with multitudes of cases which have come under the author's personal notice."—*Gaskell's Artisans and Machinery*, p. 72.

In the UNITED STATES, men are masters of their own time. The constant and rapid increase of capital causes so great a demand for labour, that every one may make his own arrangements for the sale of it. The usual hours of labour are from ten to twelve, and being assisted by good machinery, it is not severe. The feeling that pervades the whole mass of the people, that they can improve their condition, and that to do so they have only to exert themselves, causes them to apply themselves more fully than in any part of the world.\* The labour of females in the fields is unknown except among the Germans of Pennsylvania, and in those States in which slavery exists. In the eastern States, the factories find profitable employment for them, until they marry, as they almost all do at an early age, when they are enabled to devote themselves to the care of their families.† The husband is enabled to support his wife and children, and he is not compelled to place the latter in factories, at an early age, few being found there under 15 years.‡

If we compare Massachusetts with Pennsylvania, Ohio, or Illinois, we find the same result as in all previous cases. Labour is in the first aided by capital to a greater extent than in the others, and it is consequently less severe, and better remunerated. The labourer applies himself with a steadiness and regularity that is unknown in any other part of the world—he has fewer irregular holidays, but he is most careful in the observance of the regular ones—

\* "Society says to the poor man in America, labour! and at 18 years you will earn more, labourer as you are, than a captain can do in Europe. You will live in abundance, you will be well clothed, well lodged, and you will be able to accumulate capital. Be assiduous, sober, and religious, and you will find a devoted and submissive companion; you will have a home better provided with comforts than that of many of the employers in Europe. From a workman you will become an employer; you will have apprentices and domestics in your turn; you will have credit and abundant means; you will become a manufacturer or great farmer; you will speculate and become rich; you will build a town, and give it your name; you will become member of the legislature of your State, or alderman of your city, and then member of Congress; your son will have the same chance of being President, as the son of the President himself. Labour! and if the chance of business should be against you, and you should fall, you will speedily rise again, for here failure is not considered like a wound received in battle; it will not cause you to lose esteem or confidence, *provided you have been always temperate and regular, a good Christian, and faithful husband.*"—*Chevalier*, t. II. p. 122.

† "Not only does the American mechanic and farmer relieve, as much as possible, his wife from all severe labour, all disagreeable employments, but there is also, in relation to them, and to women in general, a disposition to oblige, that is unknown among us, even in men who pique themselves upon cultivation of mind, and literary education."—*Ibid.* p. 405.

‡ See page 153, *ante*.

while precisely as we pass to the south and west the observance of the latter diminishes, and the occurrence of the former increases.

In passing from Massachusetts to France and England, we should find a constant diminution in the quantity of labour required, attended with a constantly increasing reward. That such is not the case is due to the fact, that an immense amount of unproductive expenditure has prevented improvement in the *quality* of labour.

## CHAPTER VII.

## OF PRODUCTION.—INDIA.—FRANCE.—ENGLAND.—THE UNITED STATES.

THE information we possess, upon which to found a calculation of the produce of INDIA, is exceedingly limited, but we must avail ourselves of that we have. Col. Sykes says, that the cultivators admit that a *beegah* ( $\frac{1}{3}$  of an acre,) of land, produces ordinarily 240 *seers*, or 480 pounds, of grain, and that the collector, Captain Robertson, found, by personal experiment, that it produced 412 *seers*, equal to 824 pounds.\* Taking the admission of the cultivator, the product would be 640 pounds, or nearly eleven bushels per acre, a quantity that must be admitted to be a high average, where cultivation is totally unaided by capital, as we have already shown that of India to be.† From this product must be deducted the seed, being at least one tenth, leaving 216 *seers*, or 432 pounds, as the net product of a *beegah* of land.

The average price of rice, at Calcutta, is stated by Mr. McCulloch,‡ to be one rupee seven *anas*, and that of wheat one rupee eight *anas*, per *bazaar* maund of 82 pounds. Such being its value, in money, at the place of export, we may assume that with the very indifferent communications existing in India, the average price throughout the country cannot exceed one rupee per maund, giving six rupees per *beegah*, or eight rupees per acre, as the average money value of the product, after deducting the seed.

The total quantity of land in cultivation in the possessions of the East India Company, with a population of 90 millions, has been estimated at 134,200,000 acres. In the presidency of Bengal, there is a population of 70 millions, upon a territory of 220,000 square miles,§ or 140,000,000 acres, giving two acres to each person, of which, agreeably to the above estimate, three fourths, or 105 millions, should be in cultivation. To admit that three fourths of the whole surface are so, is undoubtedly to make a very large allowance; but not being disposed to *diminish* the production

\* Proceedings of the Statistical Society, Vol. I. p. 104.

† *Ante*, p. 127.

‡ Commercial Dictionary, p. 203.

§ Encyclopædia of Geography, American edition, Vol. II. p. 344.

of India, we will do so. Taking then, 134,200,000 acres, and a product, per acre, of 8 maunds, valued at a rupee each, we shall obtain as the product of agriculture, 1,073,600,000 rupees. If to this we add one fourth for the product

of the labour otherwise employed, say 268,400,000

We obtain a total product, by 90 millions

of people, of - - - 1,342,000,000  
equal to 134 millions of pounds sterling. If we estimate that of the tributary States, with about one half the population, at the same rate per head, which is certainly a very large allowance, we shall obtain 67 millions of pounds, making the total product of Hindostan, with a population of 135 millions, 200 millions of pounds sterling.\*

This sum, divided among 135 millions of people, would give nearly £ 1 10s.† = \$ 7 20, or to each family of four persons, £ 6, equal to \$ 28 80, as the total return to *labour and capital*.

It is proper, however, to examine upon what grounds we assume the product of that which is employed in manufactures, &c., at one fourth of that employed in agriculture. By the following it will be seen that the clothing for a family of four persons is estimated at only 6s. sterling, or 3 rupees, per annum, being but one seventh of their expenditure, whereas our estimate would give a product of manufactured commodities equal to 6s., *per head*, or £ 1 4s. for each family.

"In a late statistical account of Dinagepore, a province of Bengal, there are statements of the annual expenses of different classes of society; and among them one of the expenses of a labouring man with a wife and two children. The amount is only, rupees 22.10.11—or near £ 3 per annum; being at the rate of 15 shillings a head. The article of clothing for this family of four persons, is only 6 shillings per annum."‡

For a considerable time past, there has been a constant tendency to reduction in the amount of Indian manufactures. Instead of the large exports of muslins, formerly made to England and the United States, they now export raw cotton, and import the manufactured articles in exchange. Mr. W. Malcolm Fleming, an Indian

\* Mr. Montgomery Martin—*Colonies*, Vol. I. p. 1—estimates it at 30 millions. Mr. McQueen—*Statistics of British Empire*—carries his estimate much higher. We shall have occasion, in a future chapter, to show how exceedingly erroneous is his calculation.

† Col. Colebrooke estimated the production of 30 millions of people in Bengal, at £ 32,900,000, being less than 22s. = \$ 5 28 per head.

‡ Committee's Report, p. 9; quoted by Rickards, Vol. I. p. 48.

judge, on being asked by a committee of the House of Lords, "If there had been any increase in the capital employed in trade or manufactures during the time he was acquainted with it," replied, "I do not think there was; but there was a great deal more land brought into cultivation."\*

In 1819, the production of FRANCE was estimated by Chaptal,†  
 Agriculture, 4,678,728,885 francs,  
 Manufactures, 1,404,102,400 "

Total, 6,082,834,285

In 1827, it was estimated by M. Dupin,‡ at 8,403,490,250 francs, the population being then 31,845,428.

The *Annuaire de France*, for 1833, gives the population, according to the census then just taken, at 32,560,934, and the production as follows :

Minerals,	-	-	-	-	97,000,000
Grain,	-	-	-	-	1,900,000,000
Wine,	-	-	-	-	800,000,000
Meadows,	-	-	-	-	700,000,000
Vegetables and fruits,	-	-	-	-	262,000,000
Wood,	-	-	-	-	141,000,000
Flax,	-	-	-	-	50,000,000
Domestic animals,	-	-	-	-	650,000,000
Manufactures,	-	-	-	-	1,400,000,000
					<hr/>
					6,000,000,000

In the census of 1832, the total revenue of the people of France was stated at 6,396,789,000 francs.§

M. Dupin is evidently higher than the facts warrant, but it is possible that the other statements may be below the truth, and we will therefore assume the product to be 7,000,000,000

\* Quoted by Martin, Vol. I. p. 336.

† Industrie Française.

‡ Forces Productives, Vol. II. p. 266.

§ Net revenue of all financial property,	-	-	-	-	1,531,508,000
Excess of raw productions, or revenue of all the agents of cultivation, including the land produce used, as horses, cattle, wool, &c.,	-	-	-	-	3,118,770,000
Revenues, salaries, or profits of all the agents of commerce and manufactures, including all professions excepting those paid by the government,	-	-	-	-	1,746,511,000
					<hr/>
					6,396,789,000

equal to twelve hundred millions of dollars.—*Abstract of the census, given in the London Literary Gazette, 1832, p. 396.* Notwithstanding repeated efforts, we have been unable to obtain a copy of the census here referred to.

francs, equal to 280,000,000 of pounds sterling, or above 1,300,000,000 of dollars. We believe this sum to exceed the amount of production, but desire to avoid the possibility of undervaluing it

This would give an *average* product of about 215 francs, = \$40, or £8 7s., per head, or for each family of four persons, 860 francs, or about 160 dollars.

The production of GREAT BRITAIN is estimated by Mr. M'Culloch at £16 to £17 per head, or £82 10s. for each family of five persons, giving, with a population of 18 millions, a total of 297 millions. He offers this as a rude estimate, but expresses himself "well satisfied that if not materially beyond, it is not, at all events, much within the mark."\*

The product of agriculture was estimated, in 1834,† as follows:

Wheat, 11,400,000 quarters, at 60s.,	-	£ 34,200,000
Barley and rye, 3,600,000 quarters, at 30s.,	-	5,400,000
Oats and bran, 13,500,000 quarters,	-	17,500,000
Roots and clover,	-	13,125,000
Gardens, hop plantations, &c.,	-	2,250,000
Cattle, calves, sheep, and lambs,	-	30,800,000
Wool,	-	4,056,000
Horses,	-	3,000,000
Hogs and pigs,	-	675,000
Meadow, and grass for work and pleasure horses,	-	10,000,000
Poultry, eggs, dairy produce, &c.,	-	10,969,000

£ 131,975,000

Mr. M'Culloch‡ estimates the produce of the cotton

manufacture at £ 34,000,000, from which he

deducts 7,000,000 for raw material, - 27,000,000

The manufacture of wool is estimated at - 16,250,000

£ 175,225,000

\* "In the absence of authentic data, we incline to think that we shall not be very wide of the mark if we take the average annual income of the people of *Great Britain* at from £16 to £17 each, or £82 10s. at a medium for every family of five persons. This, taking the population at 18,000,000, would give a total gross income of £297,000,000. We offer this merely as a very rude approximation. But how diminutive soever it may appear, when contrasted with some late estimates, we are pretty well satisfied that, if not materially beyond, it is, at all events, not much within the mark. The late Lord Liverpool, who was well versed in questions of this sort, stated, in his place in the House of Lords, on the 26th of February, 1822, that he estimated the annual income of Great Britain at from £250,000,000 to £280,000,000. And we believe we shall not be far wrong if we estimate it at this moment at from £290,000,000 to £310,000,000."—*M'Culloch, Statistics of the British Empire, Vol. I. p. 593.*

† *Encyclopædia Britannica*, Vol. VIII. p. 765.

‡ Vol. II. p. 443.



The above, constituting the most important items of production, fall short, by 125 millions, of the amount estimated for the total product. It is probable, therefore, that the latter does not exceed the estimate, although we were under a contrary impression when we referred to this subject on a former occasion.\*

The product, per head, being for the whole of Great Britain £ 16 10s., and that of England being higher than that of Scotland, £ 17 may be assumed for the production of the former, giving for each family of four persons an average of £ 68 = \$ 324, or, with a population of 15,300,000, [1837,] 260 millions sterling = \$ 1,224,000,000.†

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In the UNITED STATES, the consumption of food is exceedingly great—more so than in any other country whatever—and not only is it all raised at home, but large quantities are exported. In addition thereto, they supply cotton to a large portion of the world. They export large quantities of tobacco, timber, and other vegetable products. They raise wool to a vast extent, all of which, as well as large quantities of foreign wool, is manufactured at home, and they supply the chief part of their consumption of both cotton and woollen cloths. *The rate of wages, or the labourer's share of the money value of his product, and the rate of profit, or capitalist's share of that product, are both higher than in England.* It follows, of course, that the *total value* of the product of labour must be higher than in that country. The reader will be satisfied of this if he will reflect that the price of the commodities produced is determined by the quantity of silver that can be obtained abroad for the surplus that is exported; that the price of labour is determined by the quantity of silver that can be obtained in exchange for the commodities produced; and as foreign nations would not give them more silver, unless they could obtain in exchange more commodities, it follows, of course, that *the average production of commodities to be exchanged must be greater*; but

\* Vol. I. p. 104.

† The production of Great Britain and Ireland is stated by Mr. Pebrer at £ 514,823,059. He assumes the total product of grain at 51,000,000 of quarters; whereas, Mr. McCulloch, in the previous year, [1832,] stated it at 44,000,000, or including seed, at £ 52,000,000. It is obvious that the seed constitutes a deduction as proper as would be the price of the leather from the apparent product of the shoemaker, or that of the raw cotton from the apparent product of the spinner. Mr. P. makes the total product of agriculture £ 246,600,000; whereas, it cannot exceed 160 millions, including 28 millions for Ireland, if any reliance can be placed upon the above estimate. In his calculations of the woollen and cotton manufacture he likewise greatly exceeds all other calculations.

there are no means of obtaining accurate information in relation to the amount of production. In estimating it at \$95, or £19 6s. per head, giving \$380 for each family of four persons, (population, 1837, 15,800,000,) and a total product of \$1,500,000,000, = £312,000,000, we believe we shall not vary materially from the truth.\*

We thus obtain, as the average production in

India,	per head,	\$6 40 =	£1 6s. 8d.
France,	"	40 00 =	8 10 0
England,	"	81 00 =	17 0 0
The United States,	"	95 00 =	19 6 0

We have estimated† the extent of security enjoyed by the people of those nations as being,

In India,	-	-	-	10
France,	-	-	-	40
England,	-	-	-	85
United States,	-	-	-	100

and the *quality of labour* as being in nearly the same ratio. If the estimate of the amount of production now submitted be correct, as we believe it to be, it shows how nearly the amount of commodities obtainable by a nation is regulated by the amount of security enjoyed, and the power that it consequently possesses of accumulating capital.

We shall now inquire into the *distribution*, between the labourer and the capitalist, of the commodities produced.

\* The estimate made by the Harrisburg Convention, (1827,) of the consumption, was \$1,066,000,000. Since that time there has been an increase of  $33\frac{1}{3}$  per cent. in the population; and if the increase of production were in the same ratio, the amount would be 1,421,000,000. There has, however, been an increase beyond that ratio, as is indicated by an advance of money wages.

† Ante, page 56.

## CHAPTER VIII.

## OF THE DISTRIBUTION OF WEALTH.

## LABOUR AND CAPITAL.—INDIA.—FRANCE.—ENGLAND.—THE UNITED STATES.

WE come now to inquire into the *distribution* of the proceeds of labour between the labourer and capitalist. On former occasions we have submitted to the consideration of the reader the proposition, that with every improvement in the *quality* of labour, diminishing the *quantity* thereof required for the production of commodities, the *proportion of product retained by the labourer was increased*, and *that received by the owner of landed or other capital was diminished*, and will now proceed to inquire how far experience tends to establish its correctness. The reader has seen that the average quality of labour, and the amount of production, per head, is lowest in India; that France is second; England third; and that the United States are highest; and, according to the proposition above referred to, the proportion of the labourer should be least in the first, and highest in the last.

We have already shown, that the expenditure of a family of four persons, in one of the districts of Bengal, is £3, or \$14 40 per annum. Wages in the Ceded Districts, (Oude and Benares,) are estimated at 5s. per head per month, or £3 = \$14 40 per annum.\* Mr. Senior estimates the wages of India, generally, at from one to two pounds, troy, of silver, (\$14 to \$28,) per

\* "Colonel Munro states the average price of agricultural labour, in the 'Ceded Districts,' to be about 5s. per month, or 2d. per day. He framed tables, dividing the population (about two millions) into three classes, and ascertained the annual expense of each individual, for clothing, food, and every other article, to be as follows:—

First class, containing about one fourth of the population, average per head,	- - - - -	£2 0 0
Second class, containing about one half of the population, average per head,	- - - - -	1 7 0
Third class, containing about one fourth of the population, average per head,	- - - - -	0 18 0"

Rickards, p. 68.

We cannot estimate the number of persons constituting a family at less than four, and if the labourer has but 5s. per month, it is difficult to imagine how one half of the population can expend £1 7s. per head, or £5 8s. for a family. The above statement, however, embraces all those who divide among themselves the large portion that is taken by the owner of capital from the labourer.

annum. The wages of a carpenter, in Calcutta, where they are much higher than in any other part of India, are 6d. per day. If we suppose him to work four days per week, throughout the year, his annual earnings will be £ 5 4s. = \$ 24 96 per annum.

In the districts of Patna and Dinagepore, cotton weavers earn 4s. 6d. = \$ 1 08 per month. A man and his wife may make from 6s. to 8s. = \$ 1 44 to \$ 1 92, per month, at cleaning cotton.\*

The wages of the higher classes of persons employed on the Zemindar's estates, will enable us to form some idea of those of the common labourer. The *patwari*, who goes from house to house and collects the rents, has from two to three rupees per month. The *Amin*, who decides disputes among the villagers, has from three and a half to four rupees per month. The *Shumarnavis*, who keeps accounts of the collection of rents, has about five rupees per month; and the *Khamarnavis*, who is employed to ascertain the state and value of the crops upon which the Zemindar has claims in kind, receives the same allowance, equal to £ 6, or \$ 30, per annum.†

Mr. Martin says,‡ “ten years since a labourer received two rupees per month; now he is not satisfied with less than four or five rupees per month, and there is even a scarcity of workmen; twelve field labourers were formerly to be had at less than a rupee a day; now, half that number could not be had at that rate of wages.” Supposing, however, as we think we may safely do, that half that number *could be had* for that sum, and that they had employment and were willing to work two hundred days in the year, they would have 200 rupees to divide among them, giving to each 33½ rupees = \$ 16 to \$ 17 per annum, for the support of himself and those dependent upon him.

If we compare the wages of *common labour* in London, Paris, or New York, or their neighbourhoods, with those of the country, we shall find that the labourer there receives vastly more than the average rate, and often even more than the ordinary wages of *mechanics* in the country. If such be the case in the United States, where labour circulates so freely, how much more must it be so in India, where the difficulties that impede its circulation are so great. Labour, in Ireland, will not command one half as much as in London, yet the difficulty that interferes to prevent the transfer of labourers from Ireland to England, is not one tenth part so great as in India. If we look to the more re-

\* Dr. Francis Hamilton, quoted by Baines, p. 71.

† Second Report on Education in Bengal, p. 15.

‡ Colonial Library. East Indies, Vol. II. p. 354.

mote districts of that country, we shall find a very different rate of wages from that given by Mr. Martin, the difference between them and the vicinity of Calcutta being greater than between the richest part of England and the poorest part of Ireland.

The number of persons throughout INDIA, who can earn even £4 per annum, must be very small indeed. The districts above referred to are those that have enjoyed the greatest tranquillity; in which person and property have been most secure; in which capital has most accumulated, and which enjoy the greatest advantages of situation, from the facility with which they can transport their products to Calcutta. If, with all these advantages, wages are only £3 per month; if, even in the capital, a mechanic can earn only £5 4s., what must be the wages of those who occupy districts more remote, in which person and property have continued insecure; in which capital has not accumulated, and which possess no means of transport for their productions?

In that of Kemaon, north of Oude, with fertile valleys which yield largely in return to labour, and with mountains filled with mineral wealth, the labour of extracting and smelting ores is performed by slaves, who "are ground down to such a degree that, if their squalid looks did not bear testimony to the truth of their complaints," they could not have been believed. At the mines of Gungowly and Buelice, children, "nearly all of whom are frightfully deformed," are employed in "digging out the ores," their only reward for which is "a small quantity of earth and stones containing particles of copper ore, from which, with much additional labour, they extract about *eight anas* (*half a rupee, equal to 25 cents.*) *worth of copper per month.*"\* Here we have abundant evidence of the universal truth that, when the superior soils only are cultivated, man is poor and wretched. This province abounds in the materials for the production of wealth; with fertile land; with ores of copper and of iron; with forests for the supply of fuel; yet its inhabitants are miserably poor, and the revenue yielded to the government "is scarcely sufficient to support its own establishments."

In forming an estimate of the return to labour throughout a country of such immense extent, it is necessary to take the most remote as well those most near to the centre of commerce and civilization. It is also necessary to take into consideration the extreme unsteadiness of employment; the vast number of wanderers seeking the means of subsistence; the number of those who pre-

\* M'Culloch's *Geology of Kemaon*, quoted in *Literary Gazette*, 1837, p. 56.

fer, or are compelled, to seek support by preying upon others; the armies employed in maintaining order, &c., constituting a most important portion of the population.

If we divide that of British India into families of four, we shall have 34 millions, each giving one able-bodied labourer. Of these, vast numbers are unemployed, or their labour is unproductive; but, on the other hand, their wives and children are, in many cases, productively employed, and tend to make amends for the mis-direction of the labours of the men; and we may, therefore, estimate that the number of persons earning wages is equal to 34 millions of labourers. Their average earnings throughout the empire cannot be estimated higher than 24 rupees, (£ 2 10s. or \$ 12,) per annum, equal to 85 millions of pounds sterling, and leaving above 100 millions, or more than one half of the total product, to be divided among the owners of capital in its various forms of agricultural implements, seed, manufacturing machinery, and land.\* That this allowance for the capitalists is not excessive, the reader will be satisfied from the following facts.

The *profit* of a loom is stated by Dr. Hamilton† at 13d. per week, equal to £ 2 16s. 6d. per annum, while the wages of the weaver are 4s. 6d. per month, or £ 2 14s. per annum. At Patna, the profit of a loom employed in making checkered muslins, and employing three persons, is stated at £ 10 16s. per annum, or 1s. 4d. per week, for each person, while the earnings of the weaver are from 1s. to 1s. 4d. The poverty of the owners of the looms is such, that they are compelled to obtain advances of capital from their employers, who, in their turn, claim a large proportion of the product as interest for advances thus made.‡ Under these circumstances, we think it doubtful if the labourer obtains even one third of the market value of the commodity he produces. His situation is similar to that of the savage, who, in exchange for a common knife, gives a skin that will sell for one, two, or three, guineas.

\* Had we taken the estimate of Mr. Martin, or that of Mr. M'Queen, (£ 541,250,000—*Statistics of the British Empire*, p. 185,) of the product of India, the proportion of the capitalist would have been vastly greater. No estimate of the wages of India can materially exceed 90 millions, which would leave, were we to adopt the estimate of the first, five sevenths of the whole, or 223 millions, for the capitalists, or, according to that of the latter, five sixths.

† Quoted by Baines, p. 72.

‡ "Such is the poverty of the workmen, and even of the manufacturers themselves, that the resident has to advance beforehand the funds necessary, in order to produce the goods. The consequence of this system is, that the manufacturers, and their men, are in a state of dependence, almost amounting to servitude. The resident obtains his labour at his own price."—Baines, p. 73.

In agriculture we find a similar system. The proprietor advances seed, which is "repaid to him, with 100 per cent., by way of interest."\* We have already shown, that the established assessment for the rent of land is one half of the *gross* produce, leaving for the cultivator the balance, subject to all the demands that "avarice and ambition, pride, vanity, or intemperance" may lead the Zemindar to make. Col. Sykes has published† tables of the produce of the rent or land tax in the Decan, in which he shows that, taking the price of grain as we have done,‡ at one rupee per maund, the proportion of the landlord is only one fifth. He is, no doubt, correct, but it proves only extreme irregularity in the amount of contributions, always the characteristic of such a state of society. Mr. Rickards has, on the contrary, given numerous statements, showing that the rent was much more than one half of the gross produce. Supposing Col. Sykes's views to be correct, the only effect is to diminish the share of the land-owner, and not to increase *the quantity* remaining for the cultivator.

If the latter, *retaining four fifths of the products*, obtain only 6s. per head, per month, or £ 3 12s. per annum, at which rate wages are estimated by Col. Sykes,§ it follows that the whole product can be only £ 4 10s. per annum, which is far less than our estimate, although that is so far below those of several other writers.

In Calcutta, the rate of interest, or *proportion* taken by the bank, is 7 per cent., but 10 per cent. is commonly charged for the use of capital. If such is the case in large loans among merchants, we can readily see that the proportion taken for the use of smaller quantities, in the form of houses, machinery, &c., must be immensely great. Capital is scarce, the quantity to be loaned by individuals is small, and the share demanded is great; those who desire to have it are entirely destitute, and they are willing to give a large proportion of the product of their labour to secure its aid. We feel, therefore, satisfied that if we estimate the total product at 200,000,000 pounds, that portion which goes to the labourers does not exceed 90,000,000.||

\* Colebrooke's Husbandry of Bengal; quoted by Rickards, Vol. I. p. 568.

† Proceedings of the Statistical Society of London, Vol. I. p. 97.

‡ Page 280, ante.

§ See page 129, ante.

|| In a work by Mr. M'Queen, recently published—*General Statistics of the British Empire*, London, 1837—there are estimates of the product of *Great Britain*, essentially different from those we have submitted to the reader. We deem it necessary only to remark that wages are estimated throughout Great Britain and Ireland, at the rate of *England*, and thus the unfortunate native of Ireland, who is stated to obtain only 6d. per day for a portion of the year, is made to rank with the



native of England, who has constant employment, with treble reward. The whole calculation of Mr. M'Queen is of the most exaggerated kind, as the reader may imagine from an examination of a portion of that which relates to India, and which we now submit to him. He says—

“It is considered in theory that the cultivator pays half the produce to the landholder, out of which half *ten elevenths*, or nine tenths, constitute the revenue paid to government, and one tenth, or one eleventh, the net rent of the landholder.’ Now, as the whole sum received by the government for this land tax is, say, in round numbers, 14,000,000*L.*, it follows that the whole gross agricultural produce of India is only 30,800,000*L.* per annum, a sum as miserable as it is quite ridiculous. The Hindoos live on little; but it is quite impossible that they could subsist on this. Accordingly, some of the evidence tells us that the tax is evaded to the extent, in some places, of from 100 to 400 per cent.: still, even with this augmentation, the value of the land in India is at a very low rate. According to Mr. Sullivan and Mr. Mill, land sells at from 25 to 100 years’ purchase, according to the rent. Of the state of the cultivators of the soil in India, Mr. Sullivan and Rammohun Roy give a deplorable picture. Their wages, says Mr. Sullivan, (p. 491,) are 3*s.* per month, and their houses ‘in much the same state now that they have been from a remote antiquity—the walls are built of mud, and thatched with grass,’—in some places tiles had lately been substituted for thatch; and in lawns ‘the houses are almost invariably tiled.’ Rammohun Roy states (p. 740): ‘In Calcutta, artisans, such as blacksmiths and carpenters, if good workmen, get (if my memory be correct,) from 10 to 12 rupees a month, (that is, about 20*s.* to 24*s.*;) common workmen, who do inferior plain work, 5 or 6 rupees, (that is, about 10*s.* to 12*s.* sterling money;) masons from 5 to 7 (10*s.* to 14*s.*) a month; common labourers about 3½, and some 4 rupees; gardeners, or cultivators of land, about 4 rupees a month; and palanquin-bearers the same. In small towns the rates are something below this; in the country places still lower. In Bengal, they live most commonly on rice, with a few vegetables, salt, and hot spices, and fish; I have, however, often observed the poorer classes living on rice and salt only. In the Upper Provinces they use wheaten flour instead of rice, and the poorer classes frequently use *bajara*, &c., (millet, &c.) The Mahomedans, in all parts, who can afford it, add fowl and other animal food. A full grown person, in Bengal, consumes, I think, from about 1 lb. to 1½ lb. of rice a day; in the Upper Provinces, a larger quantity of wheaten flour, even though so much more nourishing. [The *vaishya* (persons of the third class), and the Brahmans of the Deccan, never eat flesh under any circumstances.] In higher Bengal, and the Upper and Western Provinces, they occupy mud huts; in the lower parts of Bengal, generally hovels composed of straw, and mats, and sticks, the higher classes only having houses built of brick and lime. The Hindoos of the Upper Provinces wear a turban on the head, a piece of cotton cloth, (called a *chadad*), wrapped round the chest, and another piece girt closely about the loins, and falling down towards the knee; besides, they have frequently under the *chadad* a vest, or waistcoat, cut and fitted to the person. In the Lower Provinces they generally go bare-headed; the lower garment is worn more open, but falling down towards the ankle; and the poorer class of labourers have merely a small strip of cloth girt round their loins for the sake of decency, and are in other respects quite naked. The Mahomedans every where use the turban, and are better clad. The respectable and wealthy classes of people, both Mussulmans and Hindoos, are, of course, dressed in a more respectable and becoming manner.”

“At the above rate, to feed and clothe the population of London and its vicinity, costs more, and is of more value to the agricultural, commercial, and manufacturing interests of this country than almost half Hindostan.

“In order to fix a reasonable (!) value on the property and amount of the produce of the land in India, let us take the following data. The government proportion



of the produce is variously stated, from late authorities, to run from *one fifth, one tenth, to one fifteenth*, and by some, confidently, to not more than *one twenty-sixth part*. Let us take *one twentieth* [?] as the true portion, being a medium between the two latter statements, and then we have 280,000,000*l.* as the produce of the land in India; and by the scale of the value of land in Great Britain, to the produce thereof, we have the value of the land in India, 1,364,000,000*l.* By the same scale we would bring out the value of live stock, and all farming stock to be 388,000,000*l.*; the value of houses, 356,000,000*l.*; the annual value of manufactures, 153,000,000*l.*; and so of every thing else. *Still these sums, though nearer the truth, are evidently too low, as the produce of agriculture and manufactures added together would only allow of about 4*l.* 14*s.* for the yearly consumption of each native in British India, for food, clothing, and taxes. If we therefore add one fourth to this, it will bring it to 6*l.* sterling per annum for each; and, consequently, one fourth, to each of the above sums, will give us the value of all property in British India.*—*Statistics of British Empire, p. 183.*

The above statement of wages accords fully with those we have submitted to the reader; showing that the gardener or cultivator obtains, in Calcutta, four rupees per month—"in small towns something below this; in the country places still lower."

After quoting the testimony of Rammohun Roy, "that it is considered, in theory that the cultivator pays half of the produce to the landholder," of which "nine tenths constitute the revenue to government;" after informing us that the government portion of the produce has been stated by the latest authorities to run from *one fifth to one tenth, one fifteenth, and one twenty-sixth part*, Mr. M'Queen takes *one twentieth* as the true portion, thus reducing the landlord's share to *five per cent.*, instead of fifty, as stated by Rammohun Roy. Even with this he can make only £4 14*s.* per head, and he therefore most generously adds at once above twenty-five per cent., [thus reducing the government share to *four per cent.*,] in order to secure to each person £6 per head. It would have cost no more trouble to allow to each £10 or £20 per head, and this increased sum would be quite as certain to reach the pocket of the labourer, as would be the £6 already awarded to him. Mr. Sullivan states the wages of a labourer at 3*s.* per month, or 36*s.* per year, equal to about 9*s.* per head of the population, while Mr. M'Queen awards 120*s.* per head, being thirteen times as much as is stated by the witness whom he summonses.

We have estimated the total produce of that country at thirteen hundred and forty millions of rupees, or six hundred and seventy millions of dollars. (See page 281, ante.) Mr. M'Queen estimates it at five hundred and forty-one millions two hundred and fifty thousand pounds sterling, or fifty-four hundred millions of rupees. The reader will examine for himself which estimate is most deserving of confidence. What renders it still more extraordinary that he should have made such an estimate is that only four pages after the above extract, he gives the following passage from the Parliamentary Report of 1831.

"Peter Gordon, Esq., in his evidence, states (p. 30.) that one fourth of the produce on dry lands, and one half the produce on wet lands, or lands which command water, is taken by the government in the legal assessment, and that a much higher proportion than that is extorted, and this by the application of torture. Three fifths of the gross collection of the Zemindar is sometimes extorted from the Ryot. When the Ryot falls into arrear with the government, the latter pay themselves 'by seizing his personal property, his implements of husbandry, his cattle, and his slaves, which are disposed of at public auction!'"—*Statistics of British Empire, p. 188.*

We do not doubt that three fifths, or even more, of the gross produce are taken by the Zemindar. The proportion must be immense, when lands sell at "25 to 100 years' purchase" of the rent. So long as the company, the great landholder

					Francs.
M. Dupin estimates the product of the agriculture of					
FRANCE, at	-	-	-	-	5,313,163,735
Less, seed,	-	-	-	-	321,604,241
					<hr/> 4,991,559,494

Which he thus divides—

Rent,	-	-	-	1,626,000,000	
Capital,	-	-	-	600,833,800	
					<hr/> 2,226,833,800
Labour,	-	-	-	-	2,764,725,694
					<hr/> 4,991,559,494

He estimates the number of male labourers employed, at 7,833,342, and their average wages at 331 francs per annum, to which he adds one third for the labour of the women, making 441 francs for the subsistence of a family.\* If, however, there were 7,833,342 families employed in agriculture, and those families averaged four persons, they would give above 31 millions of persons, whereas M. Dupin estimates only 60 per cent. of the population, or about 20 millions, to be so engaged.

In manufactures, he supposes a force of 4,145,242 men to be engaged, producing 3,694,483,670,† which added to the product of agriculture, would amount to 8,686,043,764 francs, whereas, the estimate furnished by the public documents to which we have already referred,‡ makes only 6,000 millions, and we have assumed, as a medium, 7,000 millions. In the distribution of the proceeds of labour applied to manufactures, he assigns only one tenth to the owner of capital, whereas in agriculture he gives above 45 per cent. as rent and profits.

insists upon having, in those districts not subject to the fixed assessment, so large a portion of the proceeds as will leave the Ryot in the condition that has been described, the Zemindars will leave him no more, nor can any change take place, until accumulation of capital and security of property shall cause a largely increased demand for labour, and a large increase of productive power. The application of that capital to improvements of machinery, and to facilitating the transport of the products of labour, will tend to increase the wages of the labourer, and if a system of economy on the part of the government be combined with arrangements that will give full security and inspire confidence on the part of the capitalist, the change will be immense, giving ease and comfort to the labourer, increased profits to the great land-owner, with increased wealth and power to the natives, who may then increase, as Sir Thomas Munro says, “as fast as in America.”

\* Forces Productives, t. II. p. 263.

† Ibid. p. 265.

‡ Page 282, ante.

The whole number of males above 16, may be taken at ten millions. Of these, 400,000 are employed in carrying arms, a great number in the service of the government, constituting the *bureaucratie*, a large portion of whom render no services in return for their wages, and a vast number are incapacitated by disease, deformity, and bad habits, from earning the means of subsistence.\* The reader has had before him† the wages usually earned in France, and must, we think, be satisfied that the average earnings of the 10 millions of males of France, cannot exceed *one franc* per head, per day, for 300 days in the year, equal to 3,000,000,000 If to this we add one third for the proceeds of the

labour of women and children,	-	-	1,000,000,000
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Total,	-	-	4,000,000,000
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If we divide the nation into families of four, we shall have about 8 millions of families. Estimating the wages of an ordinary labourer at 300 francs, per head, per annum, and adding one third, or 100 francs, for the earnings of his wife and children, we obtain the sum of 400 francs per family, and a total of 3,200,000,000 If to this we add for the difference between the

wages of the common labourer and the mechanic, the trader, the farmer, &c., <i>one fourth</i> , say	800,000,000
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We obtain the amount above given, say 4,000,000,000 leaving 3,000 millions for rent and profits of the capitalist, being *three sevenths* of the whole product. This proportion corresponds nearly with that taken by M. Dupin in relation to agriculture, but not so as to the product of manufactures. We have, however, evidence that at Lyons, St. Etienne, &c., one half of the product goes to the owner of the looms,‡ and that a loom which costs from 100 to 400 francs, yields an average gain of three francs per day.§

In the statistics of the department of the Seine, for 1824, published by order of the government, are given details of various manufactures in Paris, from which we have made a statement, embracing 29 branches,|| giving the following result,—

See page 210, ante.

‡ Bowring's Second Report, p. 35.

† Ante, page 217.

§ Ibid. p. 37.

|| Glass. Beer. Ink. Borax. Camphor. Salt. Saltpetre. Iodine. Potash. Eau de Javelle. Sub Chlorate of Lime. Corrosive Sublimate. Chlorate of Potash. Nitric Acid. Sulphuric Acid. Muriatic Acid and Soda. Sulphate of Quinine. Vegetable Oils. Beef's Foot Oil. Glue. Cords for Musical Instruments. Animal Black. Sal Ammoniac. Wax. Iron. Gold and Silver. Refinery of Lead and Copper. Wrought Lead.

	Francs.	Francs.
Total value of the commodities, - - -	-	155,800,000
Value of raw materials used, -	146,000,000	
Expenses, - - -	1,375,000	
Tax on beer, - - -	765,000	
	<hr/>	148,130,000
<i>Actual value produced, - - -</i>	<i>- - -</i>	<i>6,670,000</i>
<i>Of which is paid as wages, - - -</i>	<i>- - -</i>	<i>2,786,000</i>
		<hr/>
Leaving for interest on machinery, and share of the capitalist, <i>including the reward of his own labour,</i>		3,884,000

Here it would appear that the labourers obtained less than one half, and very considerably less than the proportion which M. Dupin supposes even the agricultural labourer to receive. It has already been shown\* that the characteristics of French manufactures are inferior machinery and small production, and under such circumstances *the labourer's proportion is always small*. As capital increases and machinery is improved, production is augmented, and *the labourer obtains an increased share of an increased quantity*.

Here we find the disadvantage which results from the almost entire absence of *credit* in France. Those who have small capitals fear to trust them out of their own possession, and either let them remain idle, or invest them in inferior machinery, the whole product of which will yield them only low wages. Under other circumstances they would invest them in the stock of a bank, from which the enterprising manufacturer could obtain the aid that was necessary for carrying on business on a large scale. Labour would be rendered productive, and the labourer would obtain more, *as wages*, than he had before received as wages and profits. His capital might then accumulate by the constant addition of the interest thereof, and he would in time become himself an employer of labourers. There can be no greater mistake than in supposing that the agricultural labourer is benefited by the division of the territory of France into small properties. If we saw the spindles of the vast factories of England divided among the work people, and each carrying a few of them to his or her home, thus losing the benefit of *the power* by which they had been kept in motion, we should say that the manufacturing industry of England had seen its highest point; that it had lost the principle of

\* *Ante*, page 143.

combination; and that henceforth it must rapidly decline. If we looked again, after the lapse of a few years, we should see the small capitalist, the owner of spindles or of looms, receiving less, *as wages and profits*, than he had before received *as wages alone*, and we should be disposed to say, that if they were to *give their spindles and looms* to any one who would again bring them into combined action, they would benefit thereby, as their *wages* would then be greater than their present *wages and profits*. Precisely such is the case with the agriculture and manufactures of France. For want of security there is no confidence. For want of confidence in each other, the system of credit has no existence. For want of credit there is no combined action. For want of combination, each man uses his own miserable little capital, yielding him, *as wages and profits combined*, less than half of what, under other circumstances, he ought to have as wages.

That we do not materially err in our views of the income of the labouring families, in fixing them at 100 francs per annum, per head, will be shown by the following statement furnished by the census of 1832.

Population.	Per head, per annum.	Per diem.	Total revenue.
2,000,000,	250.00,	0.69,	500,000,000
3,500,000,	200.00,	0.55,	700,000,000
7,500,000,	150.00,	0.41,	1,125,000,000
7,500,000,	120.00,	0.33,	900,000,000
7,500,000,	91.84,	0.25,	688,789,000
<hr/> 28,000,000,	<hr/> 129.77,		<hr/> 3,913,789,000

Here are 28 millions of people with an average of 140 francs per annum, being 40 francs more than we have given as the income of the families of common labourers, and 15 francs more than we have assumed as the average reward of personal service throughout France. M. Dupin, however, informs us that nearly four fifths of the agricultural population are proprietors of the soil they cultivate, and enjoy a revenue, arising from the rent of their land, exceeding 64 francs per annum.\* If the income they thus enjoy, *as capitalists*, be deducted from the above estimate, it will be found to correspond nearly with that which we have given.

\* Forces Productives, t. II. p. 263.

The remainder of the population average from 300 to 4,000 francs per head, per annum, as follows:

152,000,	4000.00,	10.96,	608,000,000
150,000,	2500.00,	6.85,	375,000,000
150,000,	1000.00,	2.74,	150,000,000
400,000,	600.00,	1.64,	240,000,000
400,000,	400.00,	1.10,	160,000,000
1,000,000,	350.00,	0.96,	350,000,000
2,000,000,	300.00,	0.82,	600,000,000
<hr/>			<hr/>
32,152,000,			6,396,789,000

Here we see that large as is the proportion of the owner of landed and other capital, there are not more than

38,000 families	whose incomes average	\$ 3,200 per annum.
37,500	"	" 2,000 "
37,500	"	" 800 "
100,000	"	" 480 "

proving that *large proportion* and *small quantity* are nearly synonymous.

We come now to examine the distribution of the proceeds of labour in ENGLAND AND WALES, and as we have a state of affairs essentially different from those of the two countries we have reviewed, we shall commence by submitting to the reader an analysis of the occupations of the people of Great Britain, as ascertained by the census of 1831.

	Families.	Persons.	Per cent. of families.	Per cent. of persons.
1. Agricultural occupiers,	250,000,	1,500,000,	7.6,	9.1
2. Agricultural labourers,	800,000,	4,800,000,	24.2,	29.0
3. Mining labourers,	120,000,	600,000,	3.7,	3.6
4. Millers, bakers, and butchers,	180,000,	900,000,	5.4,	5.5
5. Artificers, builders, &c.,	230,000,	650,000,	7.0,	3.9
6. Manufacturers,	400,000,	2,400,000,	12.1,	14.5
7. Tailors, shoemakers, and hatters,	180,000,	1,080,000,	5.4,	6.5
8. Shopkeepers,	350,000,	2,100,000,	10.6,	12.7
9. Seamen and soldiers,	277,017,	831,000,	8.4,	5.0
10. Clerical, legal, and medical classes,	90,000,	450,000,	2.7,	2.7
11. Disabled paupers,	110,000,	110,000,	3.3,	0.7
12. Proprietors and annuitants,	316,487,	1,116,398,	9.6,	6.8
	<hr/>	<hr/>	<hr/>	<hr/>
	3,303,504,	16,537,398,	100.0	100.0

The first circumstance that is to be remarked in this statement is the large proportion of families, being more than one tenth, employed. II.—38.

ployed in performing the exchanges. There is, consequently, more than one shop and shopkeeper, with his family, to be maintained by every nine families in the kingdom. The second, is the large proportion which the clerical, legal, and medical classes bear to the whole, being nearly  $2\frac{1}{2}$  per cent., requiring that every thirty-six families in the kingdom should maintain the family of a member of one of the learned professions.\* The third, is the large proportion which proprietors and annuitants bear to the whole, being nearly ten per cent., and requiring that every nine families should maintain one such family.

The proportion which, when united, they bear to the whole, is as follows:

Shopkeepers,	-	-	-	10.6
Professional,	-	-	-	2.7
Proprietors and annuitants,	-	-	-	9.6
				<hr/>
				22.9
Producers of commodities,	-	-	-	77.1
				<hr/>
				100.0

There is, therefore, one family, either as proprietor or annuitant—legal, clerical, or medical adviser—or performer of exchanges—to be maintained by every  $3\frac{1}{2}$  families in the kingdom engaged in producing commodities for exchange.

We will now call the attention of the reader to the extraordinary *increase in the proportion* which those classes bear to the whole, between the years 1821 and 1831. The total increase in the number of families in that period was 362,000, of which there were of Shopkeepers, - - - 40,000  
Professional, - - - 10,000  
Proprietors and annuitants, - 124,000

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174,000

* In 1836, the number of Attorneys, in New York, was	2127†
Physicians and surgeons,	2824‡
Clergymen,	2338§

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7289.

The population of the State was 2,235,000,|| giving 558,700 families of four each, being 77 families for each member of the learned professions. It must, however, be recollected, that the division of labour is far less complete than in England, and that the *proportion* of the above, who devote themselves *exclusively* to their professions, is very much smaller than in that country. If we take into consideration the number who unite farming or other pursuits therewith, it is probable that not more than one hundredth part of the time of the people of New York is professionally employed.

† New York Register, p. 420. ‡ Ibid. p. 425. § Ibid. p. 453. || Ibid. p. 118.



leaving only 188,000 for the increase in the producers of commodities. In the former period they constituted less than one fifth of the population; whereas, in the latter, they had risen to twenty-three per cent.

On a former occasion\* we showed, and we trust to the satisfaction of our readers, that with the increase of population and of capital, there is a tendency to a *diminution in the proportion* of the community employed in the performance of exchanges, or acting as *traders*. Such is likewise the case with lawyers and physicians. In the early periods of a settlement both abound, and both find it exceedingly difficult to obtain the means of support, notwithstanding the abundance of litigation and of disease. With the *diminution of proportion* there is an increase in their rewards, and thus when they count in London, New York, or Philadelphia, by hundreds, they are enabled to enjoy life; whereas when there were but half a dozen they could scarcely exist. This tendency is somewhat counteracted in all communities by the consideration that is attached to the exercise of those professions; the effect of which is to induce hundreds to devote themselves to the practice of law or of medicine, yielding them a very small compensation, when the same ability, applied to agriculture, manufactures, or commerce, would have produced a rich harvest.†

We come now to inquire what is the effect produced upon the number of annuitants, or proprietors—of persons who consume without producing—by the increase of population and capital, causing increase of production, and doubt not we shall satisfy our readers that it is the same as upon the shopkeepers, viz. *an increase of number*, attended by a *diminution in the proportion* which they bear to the whole community.

We trust that they are already satisfied that with every increase in the productiveness of labour, the labourer is enabled to retain *an increased proportion* of the commodity produced, *leaving a diminished proportion to the capitalist*. Such being the case, we will see what would be the effect upon the capitalists, *were the*

\* Page 235, *ante*.

† In the State of New York, there were, in 1820, 1248 attorneys and counsellors, being 1 to 1100 of the population, which was then 1,372,812.

In 1830, there were 1688, population 1,918,608 = 1 in 1137.

1836, " 2127,† " 2,235,000 = 1 in 1050.

Here we have evidence that there is no tendency to increase, if there is none to decrease.

† Williams's New York Register, p. 420.



*proportions in the numbers of the two parties to remain the same.* Let us suppose that in a community of 1000 persons, *ten* are capitalists, and 990 are labourers; that the whole amount produced is 100,000 dollars—or bushels of wheat—and that, owing to the scarcity of capital, the owners thereof are enabled to demand one half, giving them 50,000 = 5,000 each, and leaving to the labourers a fraction over 50 bushels each.

The quality of labour being improved, 2,000 persons are enabled to produce 225,000 bushels of wheat, of which the landlords can now claim only two fifths, giving them 90,000, and leaving 135,000 to the labourers. If the proportions of the population remain the same, there will be 4,500 for each of the *twenty* capitalists, and 68 for each labourer.

With a further improvement, 3,000 persons produce 350,000 bushels, of which the *thirty* capitalists claim one third, giving them 116,667, or 3,888 to each, and nearly 80 to each labourer. Another period gives 4,000 persons, producing 480,000 bushels, of which the *forty* owners claim one fourth, or 120,000, giving 3,000 to each of the *forty* capitalists, and above 90 to each labourer. A further step onwards gives us 5,000 persons, producing 625,000 bushels, of which one fifth, or 125,000, goes to the capitalists, *fifty* in number, giving to each of them 2,500 bushels, and to each labourer above 100 bushels.

At another period, when 10,000 persons produce 2,000,000 of bushels, the proprietors, then *one hundred* in number, would receive one eighth, or 250,000 bushels, being 2,500 bushels, while each labourer would have 200 bushels.

We now give another scale of production and distribution, that the reader may see how it would operate.

Population.	Production.	Proportion of the capitalist.	Quantity to each capitalist.	Quantity to each labourer.
1,000	100,000	$\frac{1}{2}$	5,000	50
2,000	300,000	$\frac{2}{5}$	6,000	90
3,000	600,000	$\frac{1}{3}$	6,667	133
4,000	1,000,000	$\frac{1}{4}$	6,250	187
5,000	1,500,000	$\frac{1}{5}$	6,000	240
6,000	2,000,000	$\frac{1}{6}$	5,550	280

Here it will be observed, that the *quantity* allotted to the capitalist is somewhat increased, because we have assumed a more rapid improvement in the quality of labour, retaining, for the division, the same proportions as at first.

If we take a still more rapid improvement, we shall obtain the following results :

1,000	100,000	$\frac{1}{2}$	5,000	50
2,000	400,000	$\frac{2}{3}$	8,000	120
3,000	750,000	$\frac{3}{4}$	8,333	166
4,000	1,200,000	$\frac{4}{5}$	7,500	225
5,000	2,000,000	$\frac{5}{6}$	8,000	320
6,000	3,000,000	$\frac{6}{7}$	8,333	416

## COMPARATIVE VIEW.

<i>First.</i>		<i>Second.</i>		<i>Third.</i>	
Capitalist.	Labourer.	Capitalist.	Labourer.	Capitalist.	Labourer.
5,000	50	5,000	50	5,000	50
4,500	68	6,000	90	8,000	120
3,888	80	6,667	133	8,333	166
3,000	90	6,250	187	7,500	225
2,500	100	6,000	240	8,000	320
2,500	200	5,550	280	8,333	416

The reader will here remark, in every case, an approximation of the condition of the labourer and capitalist. In the first it is accompanied with a diminution in the quantity falling to the share of each owner of capital, but in the last it is accompanied with an increase of  $66\frac{2}{3}$  per cent., while the quantity of the labourer has increased 832 per cent.

On a former occasion we showed the change that has taken place in the last five hundred years, in the condition of both labourer\* and capitalist.† In the reign of Henry VII., the whole sum allowed to the daughter of Edward IV., for the maintenance of her establishment, was little more than £ 100;‡ and at a subsequent period the Duke of Northumberland, one of the most powerful nobles of England, when changing his residence from one palace to another, always removed his furniture, the whole of which was, we think, transported in one or two wagons.

The change that has taken place in the condition of the mere labourer, is great, but not greater than in that of the capitalist, if so great. The former has it in his power to obtain 8, 10, or 12 times as much of the necessaries and comforts of life, but the latter may now obtain perhaps 15, 20, or 25 times the quantity that he could then. Such could not be the case, if the *proportion* in the number of capitalists and labourers remained the same.

Every improvement in the quality of labour is attended with a

\* Vol. I. Chapter V.

† Ibid. Chapter VI.

‡ Ibid. p. 61.

diminution in the quantity required for obtaining any given result. The quality of labour improves with the increase of population and of capital, attended by constant diminution in its severity, and a constant increase in its reward. The *employer* of capital obtains a *constantly increasing proportion*, and the *owner* thereof a *constantly decreasing one*. The value of skill or talent is constantly rising, when compared with that of the commodities, or things which constitute capital. If the owners of the latter did not exert themselves, by bringing their talents into activity in aid of their capital, they would find themselves unable to maintain their position in society. To do so they are compelled to exertion, and thus every improvement in the quality of labour—every increase in its return—every improvement in the mode of living—produces *new necessity* for the exertion of whatever powers an individual may possess, while he finds *new inducements* thereto in the constant *diminution* in the severity of labour, and equally constant *increase* in its reward; and thus *the proportion* which those who live upon the income of capital, and without bodily or mental exertion, bear to the whole population, must be constantly decreasing.

In the United States, there has been a steady improvement in the condition of both labourer and capitalist. The extent of the change that has taken place in that of the former, we have already shown.\* In regard to the latter the change has been far greater.

If we examine the several parts of the American Union, we shall find, with improvement in the quality of labour, a diminution in the disposition to *inactivity*. In Massachusetts, where capital most abounds, and where the largest fortunes are found, it exists in the smallest degree. Such likewise is the case as we trace the course of improvement in England for centuries. We think the reader will now agree with us that it may be admitted *as a law*, that with the increase of population, and of capital, there is a constant *diminution in the proportion* which shopkeepers and merchants, lawyers, and physicians—and annuitants, or persons living on their own capital, and without personal or mental exertion yielding them *wages*—must bear to the whole number.

It is possible, however, to prevent this from taking place, and even to increase the number of those classes, as we see has been the case in England within the last twenty years. *Restraints upon the employment of capital* may compel the owner thereof to send it to the United States, to South America, or to New Hol-

\* Vol. I. p. 52.

land, or to invest it in foreign loans, in which case he becomes an annuitant. The people around him who would, under other circumstances, have been benefited by the use of his capital, may emigrate to those places, and thus restore the proportion, but in the mean time they must have experienced the inconvenience resulting from an increase of population without a corresponding increase of capital.

After the proportion of traders, annuitants, &c., shall have been reduced, it is possible to increase it again, by the adoption of measures tending to diminish the ratio which the growth of capital bears to that of population. In a war like that waged with France from 1793 to 1815, and requiring large expenditure, those who accumulate capital lend it to the government, and are paid for the use thereof out of the taxes imposed upon the labouring classes. Every such loan tends to diminish the inducement for the application of talent to production, and to increase the tendency towards becoming annuitants, because with every one the *capitalist's proportion rises, and that of the labourer falls.*

In both of these cases, the effect in reducing the amount of commodities produced is the same. Both are, therefore, injurious to labourer and capitalist. In the latter, however, the burthen falls most heavily upon the labourer. Capital is rendered scarce, and he is compelled to give to the owner thereof a large proportion for its use, *retaining for himself a small proportion of the diminished product.* In the former, capital is rendered superabundant, and its owner seeks in vain for the means of employing it. The general production is diminished, and *he retains a small proportion, leaving to the labourer, or employer of capital, a large proportion of a small product.\**

At the present time, England offers to us the extraordinary spectacle of a superabundance of capital, and a great deal of poverty. By restraints of various kinds she limits the field for employment of capital, and forces vast numbers to engage in occupations in which their labour is *comparatively* unproductive. The shopkeepers produce the commodities at the place at which they are wanted; the physician and the lawyer produce their services, and the proprietor produces his houses. Shops, medical and legal services, and houses abound, and the proprietor and the owners are willing to take a very small remuneration as profit for the capital employed, and as wages for their attention in supplying them. *The proportion which they bear to the whole population is increasing instead of decreasing.*

\* See note to page 74, Vol. I.

The difficulty of employing capital is so great that it wanders in every direction seeking employment. The owner of it is glad to open a shop, if by so doing he can add a small amount to his income, whereas, the whole sum would not, under other circumstances, be a compensation for his services, were he without capital. The student of law or of medicine expends a large capital upon his education, that he may obtain ordinary wages, and the capitalist erects houses that he may, by giving his attention thereto, obtain some compensation for his time. Every employment that yields reasonable wages, whether in the army, the church, or trade, is a subject of purchase and sale, and the owner of a few hundred pounds is glad to give it to secure himself a clerkship for life, yielding him moderate wages for his time and attention. An established stand for business is never deserted; a connexion in trade is the object coveted by those who possess capital, and even the instruction acquired by an apprentice is obtained at the cost of a large amount of it. In every pursuit capital is used as a means to enable its possessor to obtain ordinary wages for the employment of his time. The obvious effect of this is to give to those who occupy established stands, or who have been in any way so fortunate as to obtain the eye or ear of the public, the opportunity of making large fortunes, while thousands of equal talent can obtain no employment, and thus, while the incomes of established lawyers, doctors, and merchants are immense, vast numbers find it exceedingly difficult to obtain the means of existence.\* *Every measure that tends to diminish production, tends to continue and to increase the inequality of fortune, while every measure that tends to increase production, tends to diminish inequality, while raising the standard of living of both labourer and capitalist.*

Here we have a state of things differing entirely from that which exists in France. *There* the labourer gives a high price for a small amount of capital, to enable him to obtain an increase of wages; *here* capital is seeking employment and the owner grants to the labourer its use, reserving a small proportion of the proceeds; *there* the landlord retains three sevenths as his *fondiere*, or rent; *here* the proportion is from one fifth to one fourth of the proceeds; *there* the persons possessing capital sufficient to establish shops or places of exchange, are few in number, and they

\*\* We have been informed, that £3,000 was paid for the good will of a hair-dresser's shop in London. A fourth share in a bank, yielding in the whole about £4,000 per annum, was sold for £5,000, i. e. the party paid \$24,000 for the privilege of being the chief worker in an establishment, his share of the profits of which would be about \$5,000!

demand a *large proportion* of the commodities as their commission; *here* the owners of capital are seeking employment for it, and shops are so numerous, that the owner is willing to accept a *very small proportion*; and *there* the owner of manufacturing machinery takes one half of the product, while *here* he has but one tenth or perhaps less. *In the first* labour is thrown in, as the article of least value, to unite with capital, while *in the last* capital is added to labour, in the hopes of obtaining wages.

The reader has already seen\* that the income of an agricultural family of five persons is estimated, in returns made to the Poor Law Commissioners, at £41 17s. 8d., being £27 17s. 10d. for the labourer, and £13 19s. 10d. for his family, and that Mr. Cowell's estimate would make it not less than £40.

By the census of 1831, it appears that 51 per cent. of the population are over 19 years of age. The whole number being 15,300,000, the number above that age would be 7,800,000. One half being males, there would be 3,900,000, or, deducting paupers and soldiers, 3,800,000 labourers capable of doing full work, and if all of these earned, as above, £27 17s. 10d. per annum, the amount would exceed - - £106,000,000  
If to this be added, as in the case of France, one third for the product of the labour of women and children,† - - - - - 35,000,000

We should have a total of - - - - - £141,000,000

In no part of the world, however, is the amount of labour of the higher qualities so great as in England. The great abundance of capital applied to its improvement, produces a vast quantity of that description which is required for the production of commodities of a superior order, the labour employed on which commands a high remuneration. We have seen‡ that mechanics, spinners,

\* Ante, page 139.

† Mr. Senior—*Outline*, p. 134—says: "A million sterling would command the whole labour of about thirty thousand English families for a year. If that labour were employed in producing and reproducing commodities for the purposes of sale, it would probably give for ever a clear annual income, equal to the labour of *three* thousand families, or *twelve* thousand individuals."

This would give £33 6s. 8d. per annum, or 13s. per week. On another occasion Mr. Senior estimates the wages of England, at from nine pounds to fifteen pounds troy, of silver, per annum—say \$126 to \$210, average £35.

‡ Ante, p. 154.

&c., earn from 27s. to 31s. per week, the average of which would be £78 per annum.

Every description of manufacture is carried to a high degree of perfection, and the machine-makers, engravers, painters, and in fact all persons engaged in producing commodities requiring a high order of talent, are paid at a higher rate than in any other part of the world. Such being the case, we are disposed to believe that the whole amount received as the reward of personal service, or *wages*, by the people of England, in their various capacities of agriculturists, manufacturers, and traders, cannot be estimated at less than £50 (\$240) *per family*, giving to the man, *per week*, 14s. 5d., and *per annum*, - - - £37 10s. For the product of the wife and two children per week, one third of the above, or 4s. 10d. per week, giving per annum, - - - - - 12 10

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£50 00

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The average wages of each family of four persons would thus be 19s. 3d. per week.\*

Three millions eight hundred thousand families, at £50 each, would require at that rate one hundred and ninety millions, and if we take Mr. M'Culloch's estimate of the product, (260 millions,) there will remain seventy millions for the profits of capital, and wages of management.†

The productive private property of England and Wales, is estimated by Mr. Pebrer‡ at £2,051,000,000, and the above sum 70 millions of would give nearly 3½ per cent. upon that sum, being probably quite as much as the owners receive.

The rent of land in England and Wales is estimated at from one fifth to one fourth of the value of the produce, which would give, taking the latter at 130 millions, from £26,000,000, to £32,500,000, or as a medium, £29,250,000 as the rental of the kingdom.§

\* It will be observed that we have taken, as the wages of the wife and children, only one third of the wages of the head of the family, whereas the returns to the Commissioners, above referred to, give a trifle over one half. They have, however, assumed families of six persons, and have given the wages earned by a wife and four children. We take four as the average, and give the wages of a wife and two children.

† This does not, of course, include the amount received by the holders of government stocks, and which comes out of the proceeds of taxes. That subject will be considered in the next chapter.

‡ Taxation and Resources of the British Empire, p. 351.

§ Encyclopædia Britannica, Vol. VIII. p. 766.

By the property-tax returns for 1810, the profits of the occupiers were almost identical with the rent, but incomes thus derived from the land included the wages of themselves and families, as well as interest upon their capital.\* The number of such occupiers is returned at 250,000 families, and if their services be estimated at £50 each, the amount will be 12½ millions, or nearly one half as much as the rental. Among no class of people has the difficulty of employing capital, and the *consequent waste of it*, been so great as among the *farmers*, or those who apply it to cultivating the land of others. It is an almost universal complaint, that they pay their rent out of it. "We see," says a recent writer, "farmer after farmer ruined by the occupation of the same farm, and yet there is no lack of farmers, to bid against each other for the occupation of a farm which has ruined the last tenant. Though one man loses his capital, another brings forward a fresh supply."†

The great mass of farming capital has, for many years past, yielded but little, if any, *profit*. The owners have made wages for their time, and have been contented if their capitals remained untouched.

In every direction we find the same state of things. Year after year brings forward mining projects,‡ in which capital is sunk to a vast amount. If a rail road is projected, there are half a dozen companies, each anxious to make it; each selects a different line, and each squanders thousands and tens of thousands of pounds, in the hope of obtaining legislative sanction to make four or five per cent. interest. If a new government comes into existence, money is ready for it. Poyais bonds—Mexican loans—loans to the Greeks, or to the Turks—to Don Pedro, or Don Miguel—to the Queen of Spain, or Don Carlos—all find purchasers, notwithstanding the experience of the past. Capital is abundant, and its owners, deprived of the opportunity of investing it at home, seek every means of using it abroad, and the consequence is almost incalculable loss.

If we look to the profits of trade, or of shipping, or of manufactures, they are also low. The *proportion* of the product that

\* Encyclopædia Britannica, Vol. VIII. p. 766.

† Notes to Wealth of Nations, Chapter V. Book II. Mr. Wakefield appears to think that this course of operation is in accordance with a law of nature, and that the farmers are merely "*the unconscious instruments of that expenditure, by which capital is kept within the limit of investment.*"

‡ See the Mining Review.



falls to the capitalist is exceedingly small,\* because the persons employed in trade are too numerous for the amount of exchanges to be performed; the shipping is too great for the quantity of merchandise to be transported; and the number of persons who desire to apply capital to manufactures is greater than is required to meet the demands of those whose produce the people are permitted to take in exchange. The share of the capitalist is probably about one fourth of the product, or 65 millions. It may be 70 or 75 millions, but the difference is not important.†

The proportion which the males above 20 years of age bear to the whole population in the UNITED STATES, is less than in England, being only 22½ per cent. On the other hand, however, all are productively employed, and they obtain full wages at an earlier period than in any other country,‡ and we therefore deem ourselves justified in assuming the number of males, capable of doing full work, at one fourth, or 3,950,000, the population in 1837 being 15,800,000.

On a former occasion,§ we assumed the wages of agricultural labour at \$8 per month, and added thereto \$1 50 per week for

\* The reader has had before him the mode of distribution that obtains in France and England, and has seen that in the latter the labourer obtains a *larger proportion*, and a *larger quantity*, than is obtainable by the labourer of the former. Nevertheless, some French writers imagine the distribution of France to be vastly more advantageous to the labourer than that of England, as is shown in the following extract.

"The prosperity of a State depends less on the quantity of products than upon the manner in which they are divided. Let us suppose two States of equal population, of which one is twice as wealthy as the other; if the products in the one case are ill distributed, while they are well distributed in the other, the latter will give us the happiest people. No nation is so remarkable as England for the production of wealth, but in France the distribution is better. I conclude, therefore, that there is more happiness in France than in England."—*M. Droz, quoted by Villeneuve, t. I. p. 273.*

† Mr. M'Queen, to whose calculations we have before referred, gives £722 millions as the total production of *Great Britain and Ireland*. Of this he makes *wages of labour* £400 millions. This would give for every man, woman, and child, in the *United Kingdom*, about £16, or £64 = \$308, for every labourer's family consisting of four persons. In estimating wages as we have done, we have gone beyond Mr. Senior, but Mr. M'Queen far exceeds us. To judge of the correctness of his views it is only necessary to state that it gives to the people of Ireland, who are stated to work for sixpence or eightpence per day, and to be without work for half the year, a rate of wages equal to that of the United States.

‡ There would still remain above 300 millions to be disposed of. The revenue of landed property of all descriptions, in *Great Britain and Ireland*, cannot exceed 60 to 70 millions, which would leave nearly 250 millions for the profits of capital employed in manufactures, and for wages of superintendence!

§ See the extract from M. Chevalier, note to page 278.

§ Page 143.

board, making the total earnings of the labourer \$174 per annum.\* If to this we add the earnings of the wife and children, estimating them at one third, we shall have \$232 as the earnings of an agricultural family.

The proportion which the labour of a superior order bears to the whole quantity, is smaller in the United States than in England.† In the latter we added one third to the average earnings of the agricultural labouring family, to obtain the average amount received as the reward of personal service throughout the Kingdom. In the present case we shall add little more than one fifth, say \$48, giving \$280 = £58 5s. sterling, as the average reward of *personal services* in the United States.

3,950,000 families, receiving \$280 per annum,

would amount to	-	-	-	-	-	\$1,106,000,000
The total product being	-	-	-	-	-	1,500,000,000

would leave, as the profits of capital,	-	-			\$394,000,000
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equal to 6 per cent. upon \$6,600,000,000 of capital.‡

We have now the following results:

In India, a product of £200,000,000 sterling is distributed, of which less than one half goes as the wages of labour, giving 12s. 6d. sterling = \$3 per head, and leaving more than one half to be divided as profits, equal to about 14s. 6d., or \$3 50 per per head of the population.

In France, a product of 7,000,000,000 of francs, of which four

\* In a synoptical view of the statistics of the United States, prepared at the Department of State, we find the following estimates:

Value of labour, *including board*, per month, throughout the year, \$11 03

Average value of common labour, per day, - - - - - 57

" " labour, per day, in harvest, - - - - - 89

" price, per week, for board for a labouring man, - - - 1 52½

Twelve months, at \$11 03 each, would give \$132 36. Fifty-two weeks' board would cost \$79 04. The labourer is, by the above, made to receive only \$53 32 in addition to his board, being an average of \$4 44 per month. This statement is undoubtedly erroneous. We know of no part of the Union in which permanent employment is nearly so low as is here given *as the average*. In most parts of the country it is far higher, and we feel well satisfied that the sum which we have assumed is not more than the truth.

Mr. Senior estimates the wages of the United States at from twelve to twenty pounds, troy, of silver, per annum, say \$168 to \$280—average \$224, or £46 13s.

—*Lecture on the Cost of Obtaining Money*, p. 1.

† See page 265, *ante*.

‡ See the estimate given at Vol. I. p. 106.

§ American Almanack, 1837, p. 91.

sevenths, equal to 122 francs = \$22 90, per head of the population, go as wages of labour, and to the capitalists three sevenths, equal to 91 francs = \$16 68, per head.

In England, a product of £260,000,000, of which nearly three fourths, equal to £12 10s. = \$60, per head, go as wages,\* leaving for the owners of capital about £70,000,000, or little more than one fourth, equal to £4 12s. = \$22,† per head of the population.

In the United States, with a product of \$1,500,000,000, \$70 = £14 11s. 3d. sterling, per head, being above 70 per cent. of the whole, constitutes wages of personal service, and the balance is distributed as the reward of capital, or profits, being equal to nearly \$25, or £5 5s. sterling, per head of the population.

The proposition in regard to the distribution of wealth, that we have submitted to the reader, is, that with every improvement in the quality of labour there is an increase of production; that with every increase of production the labourer takes an increased proportion of the product, leaving to the capitalist a *diminished proportion*, but that with this diminution of proportion there is a constant *increase in the quantity* allotted to him, and that consequently the wages of the labourer and the profits of the capitalist increase with the augmentation of capital and improvement in the quality of labour. Such, precisely, will be found to be the case, if we confine ourselves to the examination of India, France, and the United States; but in England we find that the capitalist has a *lower proportion and a lower quantity than in the United States*.

The field for the employment of British capital is not *permitted* to increase, and the effect is that the quality of labour does not improve with the rapidity that it would otherwise do—the amount of production is restrained—and the capitalist has a small proportion of a comparatively small product; whereas, were the restraints removed, the demand for capital would increase, the quality of labour would be improved, production would be increased, and the capitalist would have a larger proportion of a larger product, while the labourer, taking a smaller proportion, would have an increased quantity of commodities in return for his labour. A removal of the existing restraints would speedily cause the production of England to rise to £350,000,000, 27½ per

\* *Minus* the claims of government, in the form of taxes on consumption.

† *Plus* the sum distributed by the government among the fund-holders, and the dividends upon capital invested abroad.

cent. of which would give to the capitalists 96 millions, instead of 65 or 70, which they now receive. We should then find them receiving the *smallest proportion*, and dividing among themselves the *largest quantity*.

In India and France, similar restraints exist, but in neither of them is to be found that security which is necessary to the productiveness of labour and the augmentation of capital. England possesses all the requisites for the rapid increase of capital and improvement in the quality of labour except one, that of permitting the field of employment to increase with the increase in quantity. The labourer and the capitalist are both sufferers.

In the United States, we find security. Capital grows rapidly, while the field of employment extends with it. Production is large; the share of the labourer is large; that of the capitalist is small; but both labourer and capitalist are more abundantly rewarded than in any other country. Nevertheless, the field of employment has been restrained by interferences with *the right* which every individual possesses to use his capital and to apply his labour in such manner as he deems likely to contribute most to the improvement of his condition. The consequence has been felt by the capitalists in a reduction of profits, and by the labourer in a reduction of wages. At no period in the history of the United States was the profit of capital so low, or its waste so great, as in the period from 1820 to 1830, when interferences were greatest.

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In comparing the different portions of the several countries, we find abundant evidence that the proposition above referred to is universally true. Commencing in Massachusetts, with a population of 80 to a square mile, we find labour most productive, and the capitalist receiving the smallest proportion of the proceeds, yet in no part of the Union does wealth so much abound. Passing thence to the south and west, with the diminution in the density of population there is a constant increase in the proportion of the capitalist, who obtains ten or fifteen per cent. in Mississippi, and twenty per cent. in Arkansas, while in Massachusetts he is content with five per cent. The same difference of distribution is to be found in all cases. In Illinois, and in Wisconsin, to which the tide of emigration is rapid, the price of wheat is far lower, when compared with flour, than is the case in New York or Pennsylvania, because the owner of capital in the form of a mill must have a large proportion of the grain which he

grinds.\* The shopkeeper must have a large advance, and the owner of land upon which a house is built, obtains a large proportion of the product.

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If we look to England, we shall find a similar state of things. In the portions of the kingdom in which the population is dense, as in Lancashire, or in Middlesex, capital may be obtained on payment of a smaller proportion of the product than in Cumberland or Westmoreland, where it is more scattered. The farmer and the labourer can exchange their products more advantageously where shops are plenty, as in Lancashire, or Yorkshire, than among the mountains of Cumberland, where they are few and widely scattered.

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If we look to France, we shall find that the proportion taken by the proprietor of capital in the north, is less than in the south, or in the west, and that the labourer of the department of the north, retains a much larger proportion than does the labourer of the Limousin, or of Brittany.

M. Dupin says† that each agricultural labourer in the north produces commodities worth 257 francs 69 centimes, of which 103 francs are taken by the capitalist; and that in the south he produces 200 francs 93 centimes, and capital takes only 69 francs. In the former case he allows above 40 per cent., whereas, in the latter, it is little more than one third. Were this view correct, it would disprove the proposition which we have offered to the reader, but it is not so. M. Dupin considers only the rent of the land, and he does not take into consideration the quantity that is taken as profit by the shopkeeper, and by the various persons through whose hands the products of the south must pass, before they reach the market. The owner of the land has expended less, and therefore *his share* must be small, but the owners of all other capital must take their shares also; and thus the amount is increased until the proportion becomes largest.

A man who settled in the neighbourhood of the Rocky Mountains, or in Texas, would pay no rent, because no capital had been applied to the improvement of the land, but the proportion of his product that he would allow to the owners of wagons and

\* The mills are so scarce in the neighbourhood of Peoria, Illinois, that while wheat is selling for seventy cents a bushel, flour commands eight dollars a barrel. In Pennsylvania, a barrel of flour is usually about four and a half times as much as that of a bushel of wheat. In Illinois, it is nearly twelve times.

† Forces Productives, Vol. II. p. 268.

horses, to carry it to market, would be so great,\* that it would be better for him to take land near New York or Philadelphia, that would yield only half the quantity, of which one half would be claimed by the owner. Such is the case in the south and west of France. Capital is small; production is limited; the owners of capital have a large share; the labourer has a small one; wages are low; the whole amount received by the owners of capital is small: they and the labourers are miserable.

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In those parts of India in which the permanent settlement exists,† production is much greater than in southern and western India, yet the capitalist takes a *larger proportion* in the former than in the latter. The great landholder, the Company, fixes in southern and western India, what shall be the rate of wages, and the Zemindars, or landholders of Bengal, to whom it has assigned its claims upon the labourers, take nearly all that is produced above the amount of wages so fixed, and have consequently a large proportion. Were the permanent settlement established throughout India, production would be greatly increased, capital would accumulate with rapidity, and *the proportion* of the capitalist would fall, while *the amount* distributed as profits would be greatly increased—the proportion of the labourer would be increased, wages would rise, and the condition of the whole people would be greatly improved.

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In comparing the densely peopled portions of the United States, France, and England, with those in which population is scattered, we find one general law, viz. that with the extension of cultivation over inferior soils there is a diminished proportion retained by the owner of capital, leaving an increased proportion in the

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\* Precisely such a case is referred to in Professor Tucker's recent work on Rents, Wages, and Profits, in which are given various returns, with a view to show that in the new States a larger proportion is obtained by the owner of the land than in the old States. It is obvious that the owner of land under enclosure, well provided with buildings, and worth \$100 per acre, will demand a larger proportion for the use of it, than the owner of wild land worth only the government price, viz. \$1 25. In like manner, the owner of an unimproved lot in the neighbourhood of New York or London would demand a smaller rent than the owner of a house in Wall Street, or the Strand. Land that is worth only \$1 25 per acre, wants roads, shops, &c., and the owner must give a large portion of its products to those capitalists who will enable him to exchange his wheat for clothing, groceries, &c. With every increase in the facilities for so doing, the value of the property and its rent will rise, until at length it may become worth \$100 per acre, *when it will yield to both labourer and capitalist larger returns than at any previous period.*

† Bengal, and Parts of the Presidency of Fort St. George.

hands of the labourer, and enabling him to command a larger quantity of the comforts of life; yet in comparing Massachusetts, with a population of 80 to a square mile, with India, having 300, and with France, which has 160, we do not find such to be the case. The cause of this is to be found in the slower growth of capital, consequent upon the greater expenditure by the government, to which we have already briefly referred, but which we shall now examine more at length, first, however, embodying in the form of propositions, the conclusions at which we have arrived, which are,

I. That with the increase of production there is a diminution in the *proportion* assigned to the capitalist.

II. That this diminution of proportion is accompanied by an increase in the facility with which both labourer and capitalist obtain the necessities, conveniences, comforts, and luxuries of life, and by an improvement in the mode of living.

III. That increase of production being attended by a *diminution* in the proportion of the product obtained by their *owners* for the use of commodities or things, and an *increase* in the proportion retained by the *employers* of them, there is a *tendency* to a more rapid improvement in the condition of the latter than of the former.

IV. That this tendency can be counteracted only by the exertion of skill or talent on the part of the former, so that increase of production has a direct tendency to stimulate the owner of capital to the exertion of his powers in order that he may maintain his position in relation to other portions of society.

V. That, therefore, with the increase of production there is a tendency to reduction in the proportion which the unproductive bear to the productive classes.

VI. That with this *diminution in proportion* there is a constant increase in the facility of obtaining intellectual and material capital, and a constant *increase in the amount of reward* obtained for its use.

VII. That thus with improvement in the condition of the labourer there is a constant improvement in the condition of the landholder and capitalist, the man of science, the painter, and the teacher.

VIII. That this improvement of condition is in the exact ratio of the increase of production, and that every measure tending to augment the rapidity of its increase, tends equally to produce further and more rapid improvement of condition, while every one that tends to retard it tends equally to retard improvement.



IX. That increase of production results from improvement in the quality of labour, produced by the increased application of capital.

X. That every measure tending to prevent the increase of capital, or to interfere with its free application, tends to prevent increase of production—to produce *an increase in the landlord's or capitalist's proportion*—to produce *an increase in the proportion* which the unproductive bear to the productive classes—to produce *a diminution in the labourer's proportion*, with *a diminution in the quantity of both labourer and capitalist*—and thus to prevent improvement in the condition of all classes of society.

XI. That it is, therefore, contrary to the interest of both labourer and capitalist to adopt any measure tending to restrain the growth of capital, or its free circulation and application in aid of production.



## CHAPTER IX.

## DISTRIBUTION.—SUPPORT OF GOVERNMENT.

MAN unites with his fellow men in the establishment of government, with a view to obtain security for his person and his property. The task of framing laws, and that of carrying them into effect, are assigned to certain individuals, who are to be paid for so doing by contributions from each of the members of society. In assessing those contributions, several different modes are pursued, each of which requires consideration.

The first, is by a specific tax upon each individual, payable in money, or in personal services.

The second, by a tax upon capital.

The third, by a tax upon the commodities consumed.

The fourth, by a tax upon income.

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The first is unequal and unjust. Government is instituted for the *protection of person and of property*, and property should contribute its proportion to maintaining security. When an individual possessing an estate yielding him a large income, and another whose family is depending upon his exertions for the means of subsistence, are required to contribute the same amount, there is manifest injustice. If such be the case when a payment *in money* is demanded, it is not less so when personal service is required, as in the case of the conscription of France, the impressment of Great Britain, and the militia system of the United States. Were the latter often engaged in war, it could not fail to be perceived that there is obvious injustice in requiring of the labourer to contribute the same number of days of training as are required of the capitalist, who compounds therefor by paying a trifling fine in lieu of personal service. When, however, a nation maintains a large army and is frequently engaged in war, the amount of injustice is such as to warrant almost any measures for its correction. The son, upon whose exertions depends a father, mother, or sisters, is taken for years, and is compelled to serve the community, receiving only the necessaries of life in exchange for his labour. The State thus demands of him, without remuneration, the most valuable years of his life; those years in which he is best qualified to provide for his future sup-

port; and then returns him to civil life, without a trade, and with the habits of the *caserne*.

Justice is the same between an individual and a community, as between two individuals. A community has no more right to take the services of an individual, without making him the same compensation therefor that he could obtain for the same quantity of exertion in the service of a member of that community, than that person has to enslave him, and compel him to work for half the usual rate of wages.

If it be thus opposed to *justice* that the labouring classes should be thus compelled to give their services to the State at low wages, for the purpose of relieving the owners of property from contributing as much as is necessary for their full and equitable payment, equally is it in opposition to the course that would be dictated by that *enlightened self-interest* which should govern the actions of the man who has had prudence, activity, and energy to enable him to accumulate capital.

We have abundant evidence that with the increase of capital—with the improvement in the quality of labour—and with the increased wages of the labourer—there has been an improvement in the habits of the people, accompanied by an increased security of person and of property, and by constantly increasing profits of capital, and requiring a constantly diminishing proportion of those profits to be contributed for the maintenance of that security. Every measure tending to throw upon the labouring classes an undue proportion of the cost of maintaining government tends to prevent improvement in their habits—to prevent increase of security—to prevent the profitable application of labour and capital—to prevent increase of production—and to prevent *increase in the quantity* of the conveniences and necessities of life that may be obtained in return for the use of a given amount of capital, and is therefore directly injurious to the capitalist.

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We come now to examine the effect of *taxes on capital*, and in doing so will consider it as owned by a single individual. Let us suppose two settlements, each consisting of 1000 persons, the land, houses, ploughs, horses, &c., in both of which belong to one person.

Let us suppose that in No. 1 the labourers impose upon him the necessity of paying the chief part of the expenses of government, while in No. 2, a more equitable system is pursued and the cost is fairly divided between the labourer and the capitalist. The latter finds immediately that his property in No. 1, yields him a smaller return than in No. 2, and of course ceases to make

any further investments in the former. So far, as he has already expended his capital in the improvement of land and the building of houses, it is at the mercy of the labourers, but they cannot compel him to improve more land, or to build more houses. Population goes on to increase, but the number of farms and houses remains stationary; the number of ploughs and horses is not increased. The capitalist finds a constantly increasing competition for the use of his capital, and he *gradually raises the proportion* of the product that he must receive as compensation for its use, until he at length obtains from the labourer as much as gives him the old rate of profit, after paying the taxes. Each family of labourers, meanwhile, is compelled to occupy a smaller portion of ground, and a smaller quantity of house room; *the ratio of production to population is diminished, and the proportion falling to the labourer is diminished.* Wages fall, and the labourer, instead of enjoying plenty and comfort, finds it difficult to obtain, by the severest labour, the means of subsistence.

In No. 2, on the contrary, is experienced a constant increase of the ratio of capital to population, arising out of the transfer thereto of the rents received from No. 1. New lands are brought into cultivation, and improved machinery enables each individual to cultivate an increased quantity; new roads are made, and that increased quantity is transported to market at a diminished cost; new shops are opened, and the products of the soil are exchanged for clothing and other commodities with a constantly decreasing charge for making those exchanges; new houses are built, and the constantly improving condition of the people enables them to occupy them. Their production is increased, and they are enabled to give to the capitalist a large return for the use of his capital, from a constantly decreasing proportion of the product. Wages rise; their condition is constantly improving; their children are educated, and with every hour there is an improvement in the condition of the capitalist.

If such would be the case when the operations were conducted by a single capitalist, still more would it be so when there were many. One by one, the proprietors in No. 1 would dispose of their farms and their houses, at prices diminished in consequence of the imposition of the tax, to those in whom the *inertia* common to all matter still existed to such extent as to prevent them from moving. Little by little, property would be concentrated in the hands of a smaller number of individuals; little by little the proportion of capital to population would be diminished; the ratio of production to population would be diminished, and the pro-

portion of the capitalist would be increased; until at length the whole property would be found in the possession of a few families living in state, and surrounded by a wretched population, hewers of wood and drawers of water.

Here again *justice and an enlightened self-interest point to the same course.* If neither would warrant the imposition of a poll tax by the capitalist, so neither would warrant the imposition, by the labourer, of heavy taxes upon capital. Both tend to produce the same effects—to impair the condition of the people, morally and physically; and both tend consequently to the injury of the capitalist. The labourer, desirous of maintaining and improving his condition, should avoid the latter, as sedulously as the capitalist should the former.

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The third mode of raising a revenue is by *taxes on consumption.* The labourer requires as much, or nearly as much, sugar, as much tea, as much coffee, as much beer, as much salt, as his richer neighbour, and a tax upon them becomes, in effect, a *poll tax.* Were it possible to assess an equal per centage upon all objects of consumption, the effect would be nearly equal upon all classes of society; but such is not the case, because the consumption of commodities of the better qualities is small, and nearly the whole amount would be expended in its collection. For that reason taxes are always imposed upon those which are used in large quantities, as salt, sugar, coffee, cotton cloths, and tobacco, and thus they are paid almost entirely by the labouring classes. The objections to this class of taxes are the same that we have offered in relation to the poll tax, or claim for service, and neither justice nor an enlightened self-interest would counsel the capitalist thus to throw upon the labouring classes the support of government. In doing so he would diminish the power of consumption—prevent the improvement of the condition of the labourer—prevent the increase of security—limit the field for the employment of his capital—diminish production—and diminish the return obtained for the use of his capital. Such must be the effect of every measure tending to retard improvement in the condition of the people.

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Monopolies, by the State, of the supply of the necessities of life, for the purpose of enforcing the payment of taxes thereupon, have the same effect, but in a greater degree. They are taxes on consumption, and of the worst kind. The capital that would be employed in the production of those commodities, were not con-

sumption diminished by the tax, lies idle and unproductive; improvement in the condition of the people is retarded, production is diminished, and the capitalist has a diminished amount of the necessaries, conveniences, or luxuries of life, in return for the use of his capital.

Monopolies granted to individuals for the supply of certain articles, by the imposition of restraints upon exchanges with foreign nations, have precisely the same effect. The capital which should be employed in producing them at one place, is now forced into their production at another, and so long as it will yield the ordinary rate of interest it is so employed. The effect of such restraints is to increase the quantity of labour required for the production of those commodities, for if they could be produced at home by the same quantity of labour, those restraints would be unnecessary. With the diminution of production, there is a diminished power of consumption: wages, when estimated in those commodities, fall: improvement in the condition of the people is arrested: the field for the employment of capital is limited: and the profits of capital are lessened. Neither justice nor regard to his own interest, therefore, warrants the capitalist in demanding such monopolies.

The extent to which these injurious effects are produced is precisely in the ratio of the necessary consumption of the commodities, the production of which is thus limited. If it be of food, the amount of injury to both labourer and capitalist is immense; if of clothing used by the labouring classes, it is considerable, but yet small when compared with food; if of the commodities used in small quantities, the effect is trifling. Little disadvantage results from a tax of 100 per cent. upon nutmegs, compared with one of 25 per cent. upon sugar.

Wherever such interferences exist they should be abated. It is, however, of importance to recollect that they are the result of error on the part of both capitalist and legislator. If the former were, during their existence, enabled to demand a larger amount of profit than was obtained by persons whose capital was employed in the production of other commodities, there could be little hesitation in making a prompt reduction; but such is not the case. Ignorance of his true interest induced the first application of the capitalist for such monopoly, and in ignorance of the interests of both capitalist and labourer it was granted to him. He has himself been the sufferer by it. It has diminished instead of increasing the profits of his capital. He is therefore entitled to consideration, as he has, by error of legislation, been led to misapply

his means in a mode that has been pointed out to him by the community. In the correction of this evil moderation is therefore necessary, and such moderation will best promote the interest of all parties. A sudden change would annihilate the capital of the man who has but obeyed the direction of the law ; it would perhaps throw out of employment thousands of labourers, before capital could be transferred to the production of the commodities required under the new state of things, and great distress might be the consequence ; whereas, under a gradual change of policy, both labour and capital are gradually transferred from the production of one commodity to that of another,—production is daily increased—the demand for capital is daily increased—the labourer obtains a constantly increasing proportion of his products, with constantly increasing wages—and the capitalist a constantly decreasing *proportion*, with a constant increase in the quantity of the conveniences and luxuries of life obtainable for a given quantity of capital.

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We will now consider the fourth and last mode of raising the supplies requisite for the maintenance of government, viz. a tax on income. By such a tax every man contributes in the ratio of his interest. The capitalist with a large revenue pays his share, while the labourer, with an income of two or three hundred dollars per annum, pays, as he ought, for that tranquillity which tends to promote the growth of capital and to secure to him a large reward for his exertions. Paying for it, he values it, and while he will be disposed to furnish the necessary contribution, he will have every inducement to watch that the quantity is not greater than is required for an economical administration. Both labourer and capitalist will feel that every dollar unnecessarily taken tends to limit their power of expenditure, or their power of accumulation, and both will have the same interest in regulating the proceedings of the government in such manner as will tend most to permit the growth of capital. They will be opposed to the maintenance of large armies or navies, and especially opposed to wars. They will see that no advantage can be derived from foreign colonies, because those colonies, where taxation is equitably levied, cannot be made to contribute towards the payment of the cost of maintaining any government but their own. By thus avoiding the colonial system, they will avoid the risk of collision with other nations, and the necessity for either fleets or armies. Pursuing this course, capital will accumulate, and the labourer's *proportion* will increase with the increase of production ; whereas,

under a different system, with large fleets and armies, expensive colonies, and expensive wars with their neighbours, the growth of capital must be arrested—production can no longer keep pace with population—the proportion of the capitalist must be *increased*—that of the labourer must be *diminished*—the capitalist must find increased difficulty in obtaining those conveniences and luxuries of life to which he has been accustomed—while the diminished wages of the labourer give him a constantly decreasing measure of the necessaries and comforts of life, and compel those who have heretofore lived by their labour to resort to mendicity, or to spend their days in alms-houses, supported by contributions from the *increased proportion*, but *diminished means*, of the capitalist.

With a view to illustrate this position, we shall now examine into the effect produced upon the labourer and capitalist of England by the immense expenditure of the wars from 1793 to 1815.



## CHAPTER X.

## DISTRIBUTION.—EFFECT OF TAXATION UPON WAGES AND PROFITS.

In the period which followed the close of the American war, the public revenue of Great Britain was 15 millions sterling. Of that sum about eight millions were required for payment of interest on the public debt, and about half a million per annum was applied to the extinguishment of the debt itself, which was reduced from 238 millions in 1783, to 233 millions in 1793.

In 1793, the first increase took place, amounting to only four millions. In this long period of peace the progress of production had been very rapid, as will be seen by an examination of the table herewith submitted. Shipping had grown from 846,000 tons to 1,563,000, in 1792. The hides imported, which averaged 34½ millions of pounds, in 1784 and 1785, rose to 39 millions, in 1793. The foreign produce consumed rose from 11½ to 13½ millions. The imports of cotton wool, of sheeps' wool, and of silk, increased greatly. The bills for enclosures which, in 1785, were only 22, rose to 60, in 1793. The number of cattle and sheep brought to market, increased rapidly. The number of bricks which paid duty rose from 358 millions, in 1785, to 908 millions, in 1793; and tiles, from 56 to 76 millions. The price of wheat, in those years, fluctuated between 47s. and 60s. per quarter. The average of 1784, 1785, and 1786, was 54s., and that of 1791, 1792, and 1793, was 54s. 11d. Wages of bricklayers advanced from 2s. 4d. to 3s. per day, while those of masons and plumbers appear to have remained stationary. *The power of commanding the necessities of life had increased about 25 per cent. among the former, which could not have been the case without being accompanied by a general rise in the price of labour and increase in the power of obtaining commodities generally.*

From 1793 to 1801, the extra expenditure amounted to 200 millions. During that time the population must have increased nearly 10 per cent., or probably 900,000 persons, requiring a corresponding increase in the amount of capital and of production. The government being, however, a competitor for that capital, the price rose, and stocks, of which only £102 could, in 1789, be had for £100 money, fell so low that, in 1797, £100 in money



*A view of the progress of expenditure, of production, and of consumption of the American war to the termination of*

YEAR.	Extra Expenditure. Millions of Pounds.	£100 would purchase of 3 per cent. Stocks.	Tons of Shipping.	Hides. Millions of Pounds.	Consumption of Foreign produce. Millions of Pounds value.	Consumption of Cotton. Thousands of Pounds.	Consumption of Wool. Thousands of Pounds.	Consumption of Silk. Thousands of Pounds.	Enclosure Bills Passed.
1784,			846,000	35		11,200			
1785,			951,000	34	11½	18,000		956	22
1786,			982,000	35	11½	19,100		765	25
1787,			1,104,000	35	13	21,200		1,027	19
1788,			1,243,000	36	13½	19,600	2,600	957	36
1789,		102	1,507,000	34	12½	32,300	3,083	1,107	36
1790,			1,399,000	37	14	30,600	1,932	1,164	27
1791,			1,511,000	37	14	28,400	4,150	1,358	39
1792,			1,563,000	37	13½	33,500	4,513	1,367	40
1793,	4	133	1,240,000	39	13½	18,000	1,891	1,261	60
1794,	10	149	1,382,000	40	14	23,000	4,485	1,013	74
1795,	19	150	1,145,000	39	14	25,200	4,902	1,066	77
1796,	18	116	1,254,000	42	14	31,400	3,454	885	72
1797,	26	199	1,103,000	39	12	22,700	4,653	667	85
1798,	23	197	1,319,000	37	17¼	31,200	2,398	1,133	52
1799,	29	168	1,302,000	39	17¼	42,500	5,151	1,707	65
1800,	31	158	1,445,000	39	16½	51,600	8,615	1,093	63
1801,	40	163	1,345,000	40	20½	54,200	7,180	900	80
1802,	28	142	1,625,000	39	17	55,600	7,749	955	122
1803,	20	174	1,414,000	39	18½	52,300	6,020	1,187	96
1804,	32	175	1,463,000	39	18½	61,300	8,157	1,481	104
1805,	38	170	1,494,000	42	20½	59,000	8,546	1,622	52
1806,	36	163	1,485,000	44	20	55,500	7,333	1,317	71
1807,	37	159	1,424,000	45	19½	72,700	11,768	1,123	76
1808,	42	150	1,372,000	47	21½	42,000	2,353	776	91
1809,	45	146	1,531,000	48	18½	88,500	6,845	1,199	92
1810,	49	147	1,624,000	49	30	127,700	10,936	1,791	122
1811,	55	157	1,507,000	49	20¼	92,300	4,739	622	107
1812,	59	169	1,665,000	52	16½	61,300	7,014	1,947	133
1813,	71	170		48					119
1814,	77	150	1,875,000	49	16	54,000	15,600	2,185	120
1815,	78	170	2,105,000	49	19	92,000	14,800	1,650	81
1816,		161	1,987,000	44	15½	86,000	7,400	786	47

*sumption, in Great Britain, during the period from the close of the wars of the French Revolution, in 1816.*

YEAR.	Cattle sold in Smithfield. Thousands.	Sheep sold in Smithfield. Thousands.	Bricks. Millions.	Tiles. Millions.	Price of Corn per quarter.*	WAGES OF		
						Bricklayers.	Masons.	Plumbers.
1784,	98	616			60s. 8d.	s. d.	s. d.	s. d.
1785,	99	641	358	56	54 0	2 4	2 10	3 3
1786,	92	665	495	68	47 4			
1787,	95	668	635	82	51 4			
1788,	92	679	668	74	55 4			
1789,	93	693	590	63	62 8			
1790,	103	749	711	69	63 4	3 0	2 10	3 3
1791,	101	740	749	74	55 4			
1792,	107	760	807	74	53 4			
1793,	117	728	908	76	56 0			
1794,	109	719	787	85	54 0			
1795,	139	746	559	68	81 4	3 0	2 10	3 3
1796,	117	758	633	80	80 0			
1797,	108	693	577	71	62 0			
1798,	107	753	516	66	54 0			
1799,	123	834	421	58	75 4			
1800,	125	842	543	69	126 8	3 0	2 10	3 3
1801,	134	760	674	78	128 8			
1802,	126	743	698	62	67 4			
1803,	117	787	842	86	60 0			
1804,	113	903	795	90	62 8			
1805,	125	912	845	93	88 0	4 10	5 0	4 6
1806,	120	858	933	89	82 8	4 8	5 0	4 6
1807,	134	924	831	82	78 0	4 8	5 0	4 6
1808,	144	1015	841	86	85 4	5 0	5 0	4 6
1809,	137	989	779	87	106 0	5 1	5 1	5 3
1810,	132	962	874	89	112 0	5 2	5 3	5 9
1811,	125	966	950	91	108 0	5 5	5 9	5 9
1812,	134	953	939	92	128 0	5 5	5 9	5 9
1813,	138	891	912	93	120 0	5 5	5 9	5 9
1814,	135	871	758	84	84 8	5 5	5 9	5 9
1815,	125	963	778	81	76 0	5 1	5 9	5 9
1816,	120	969	696	72	82 0	5 1	5 3	5 5

\* We have taken the prices at Windsor, as given by Tooke, in preference to the average prices of England, because we had no table of the latter extending throughout the whole period.

would command £199, interest upon government securities having risen to six per cent. The natural consequence was that the revenue of individuals was no longer applied to promote that increase of production which was rendered necessary by the increased population. Not only did *the ratio* of production fall, but *the actual production was diminished* during many of those years, and as a natural consequence, *the capitalist claimed an increased proportion of this diminished quantity.*

Shipping, which had attained the height of 1,563,000 tons in 1792, fell to 1,103,000 tons in 1797, and in 1801, the quantity was only 1,345,000 tons. The import of hides experienced a slight increase. That of cotton wool, which had averaged, in 1789 and the three following years, 31 millions, averaged in 1795-6-7-8 less than 28 millions. In the three following years it underwent a considerable increase, a large portion of which was, however, for re-export.\* The import of sheep's wool experienced less variation. That of silk fell considerably. The consumption of foreign produce generally, which had risen during peace to 14 millions, fell in 1797, as low as 12 millions. It rose again to an average of 17 millions; but a very important portion of this increase was, as we have already shown, in raw materials, to be re-exported in a manufactured shape, and was not consumed at home.† The number of bricks that paid duty, fell almost steadily from 1793 to 1799, being in the latter year only about 45 per cent. as great as in the former, and that of tiles experienced a great reduction. Enclosures, which had risen from 22 to 60, continued to rise during 1794, and 1795; and again in 1797; but the average of 1799, 1800, and 1801, was less than that of 1793-4-5. The number of cattle sent to market, which averaged in 1793, and 1794, 113 thousand, averaged in 1797 to 1800, only 116 thousand, notwithstanding an increase of 10 per cent. in the population. From 1793 to 1798, the number of sheep was not in any year so great as in 1792, and in the two following years the increase was less than 10 per cent. The average price of corn, in the eight years from 1794 to 1801, both inclusive, was 83s., being an increase of above 50 per cent. upon the prices of the previous period.

\* The export of cotton manufactures, which in 1792, was £2,024,386, rose, in 1798, to £3,602,488; in 1799, to £5,808,009; and in 1800, to £5,854,057. It is probable that at least two millions of pounds of the apparently increased consumption of foreign produce was of raw materials for re-export. The quantity of cotton consumed in Great Britain, must have been less than in the previous years, notwithstanding the increase of population.

† See note to page 166.

During this time wages remained stationary, the consequence of which was that the labouring classes could obtain but two-thirds as much wheat as during the former period. Capital no longer kept pace with population, and the capitalist would not invest his means, unless he could obtain at least as high interest as he could have from the government. The number of ships was reduced, and freights rose. The risk of capture caused insurance to be high. High profits, high freights, and great risks, raised prices, and diminished consumption. The number of enclosures no longer kept pace with the growth of population; capital was no longer applied in the usual ratio to the land, and prices of all descriptions of agricultural produce rose. The capitalist obtained a large proportion of the produce of labour, but *his actual return in wheat for a given quantity of capital was diminished*. During the period of nine years, from 1793 to 1801, 100 pounds would command, on an average, 148 pounds in the three per cents. In 1789, the same sum would have commanded 102 pounds. Interest had advanced 45 per cent., and provisions had advanced 50 per cent. The wealthy, whose expenditure for provisions bore but a very small proportion to the total amount, were enabled to obtain the services of the labouring classes upon the old terms, and articles of luxury rose but slowly compared with those of necessity. The owners of land obtained high prices for their products, while they paid low wages, retaining thus a large proportion. The *money income* of some landholders was much augmented, while their real income or power of obtaining commodities was diminished, and that of all was prevented from increasing. Had the capital wasted in war been applied to the making of roads and other improvements, all the land of Great Britain would have been rendered much more productive; the buildings would have continued to increase as they did in the period from 1783 to 1793, in which latter year the consumption of bricks was 908 millions; town lots would have risen in value; and water powers would have been occupied. All this was prevented. Those whose lands had been aided by capital, and who were provided with good roads, obtained large revenues, because others were prevented from competing with them. Those whose lots were built upon, obtained good rents, because the number of houses did not increase in the usual ratio, and those who had erected mills, and availed themselves of their water powers, were well paid, because the limitation of capital prevented competition; but when they came to apply their revenues to the purchase of

commodities, they found that they had less than they had had before. Their real incomes, measured in any thing but labour or money, had diminished.

The apparent profits of trade increased, but the risks increased also. The regularity of peace was superseded by the gambling operations of a state of war, and while some men made large fortunes, a vast number were ruined. The commissions of bankruptcy, which in 1790-91-92, averaged 816, rose, in 1793, to 1956; in 1794, to 1041; in 1795, to 879; in 1796, to 954; in 1797, to 1115; in 1798, to 911; in 1799, to 717; in 1800, to 951; and in 1801, to 1199, making an average of 1080.

In the years 1790-91-92, the commissions of bankruptcy against bankers, were only two in number, whereas, in 1793, there were 26, and from 1794 to 1801, both inclusive, 38, making an average of above 7 per annum, from 1793 to 1801.

The amount of productive power was diminished by the number of men who were employed in carrying muskets and navigating ships of war, instead of using spades and navigating merchant vessels, and by the waste of capital generally, incident to a state of war. The amount of production was diminished in its ratio to population, and there was less to be divided among the labourers and the capitalists. This caused a difference in the mode of distribution, and the owners of capital were enabled to claim a larger share of the proceeds, leaving the labouring classes to pay the chief part of the expenses of the war, *as they must always do.*

During most of this period, the government was unable to make any great increase in its direct claims upon those classes. The revenue, which in the two years prior to the war averaged eighteen millions and a half, averaged in the first four years of the war only eighteen millions, notwithstanding the increase of population, and an augmented rate of excise and other duties, showing a great decrease of consumption. In 1798, the necessities of the government compelled a resort to almost every description of tax that could be devised, and their claims reached the capitalist in the form of an income tax. The revenue in the four last years of the first war was as follows:

1798,	-	-	-	-	£ 20,518,780
1799,	-	-	-	-	23,607,945
1800,	-	-	-	-	29,604,008
1801,	-	-	-	-	28,085,829

The following table shows the manner in which the taxes on

necessaries consumed by the labouring population had been advanced.

		1790.	1795.	1800.
Strong beer,	-	8s. 0d.	8s. 0d.	9s. 5d.
Malt,	-	10 6	10 6	10 6
Tea,	-	12½ per cent.	20½ per cent.	30 per cent.
Tobacco,	-	1 3	1 7	1 7½
Sugar,	-	12 4	15 0	20 0

The price of salt was advanced in consequence

of the duty, from 4 8 to 6 1½ and to 14 0

At the close of the first war, by the peace of Amiens, the *property* of Great Britain was burthened with a mortgage for money borrowed from 1794 to that time, the interest upon which amounted to thirteen millions, and was, in justice, payable by that property. The owners had become *apparently* wealthy, because their incomes, *measured in gold and silver*, had increased in consequence of the augmented prices of commodities resulting from diminished production. The debt was a lien upon their property, and had an account been then made out it would have been found that their condition had not only *not improved* during war in the same ratio that it had improved during the period of peace, but that *it had deteriorated*. They had had high profits, high freights, high rents, high prices of grain, but they had contracted a debt, the interest of which required thirteen millions of pounds, per annum, out of those rents and profits. The difficulty of accumulating capital had increased, while the amount of the conveniences and necessaries of life obtainable in return for the use of a given quantity of it had decreased.

The injurious effect of war would have been perfectly evident to the capitalist had the mode of raising supplies for the war been different. Had all the extra demands of the government been supplied by an income tax, he would have found that his extra profits were thus absorbed; but instead of *paying* his money, he *lent* it, receiving from the government an engagement to pay a high rate of interest, which interest was collected from the labouring classes, by taxes on salt, beer, sugar, tobacco, &c. The reduction in the amount of production could not fail to be attended with a diminution in the proportion assigned to the labourer, and the mode of raising supplies for the government tended to throw upon him almost the whole cost of the war, thus vastly increasing his sacrifices. Under such circumstances, it is not surprising that pauperism should have increased, and that the amount ex-

pending for relief of the poor, which in 1785, was £1,912,241, should have risen in 1803, to £4,077,891.\*

Here was established, at once, a *tax upon capital*. The owners thereof would not impose such a tax, believing that taxes upon consumption would be less injurious to themselves; but that which they would not pay *directly* to the government for the maintenance of the war, they were compelled to pay *indirectly*. Taxes upon commodities forbade the use of them by the labourer, and the owner of landed and other capital was compelled to contribute towards the support of those who were thus deprived of the power of supporting themselves.

We come now to examine the period from 1802 to 1810, both inclusive. The extra expenditure, which in 1800 and 1801 had averaged  $35\frac{1}{2}$  millions, sunk in 1802 to 28 millions, and the average of that year and the two following, was less than 27 millions, being little more than in 1796, when the population of Great Britain was less by nearly a million, than in 1803. The effect of the increase in the amount of capital to be applied to production was shown immediately. The shipping rose in 1802, to 1,625,000 tons, and in 1804, after the war had recommenced, amounted to 1,463,000 tons, being nearly 300,000 more than in 1795. The consumption of foreign produce, the import of which increased in 1801, with the approach of peace, averaged, in that year and the three following, nearly  $18\frac{1}{4}$  millions, being one half more than in 1797, and exceeding, by above 3 millions, the average of that and the three following years. A part of this is to be attributed to the great increase in the import of cotton and sheeps' wool, for manufacture and re-export, but the increased consumption was very great. The number of enclosure bills, which averaged in 1797-8-9, only 67, rose in 1802 to 80, and averaged in that and the three following years above 100, exceeding by 67 per cent. the number in 1793. The number of cattle brought to Smithfield market, which averaged in 1796-7-8-9, only 114,000, rose to above 125,000 in 1804. The number of sheep rose in that year to 903,000. The number of bricks and tiles, which paid duty, increased rapidly, showing a vast increase in the amount of building. The price of grain fell to an average of less than 70s., being an advance of only 20 per cent. upon the average for five years prior to the commencement of the war. Wages rose nearly 67 per cent., and the labourer could now earn a much larger amount of commodities than he could have obtained in

\* Marshall's Tables, p. 19.



1793. The *proportion* of the capitalist was diminished, as is seen by the price of stocks. From 1797 to 1801, both inclusive, £100 would command, on an average, £177 of 3 per cents, giving an interest of  $5\frac{1}{2}$  per cent., whereas, in 1802-3-4, the same sum would command but about £161, giving an interest of about  $4\frac{9}{10}$  per cent.

The expenditure of 1804, exceeded greatly that of 1802 and 1803, and it was followed by a series of years in which the waste of capital was constantly increasing. The results are seen in diminished production. Shipping ceased to increase, and was in 1807 less in quantity than it had been in 1800. It rose afterwards, but a vast portion of the increase was occupied as transports for the use of the army in Spain, and cannot be considered productive. The consumption of foreign produce experienced a small increase. The number of cattle and sheep brought to market increased, but the number of enclosures fell off from 104, in 1804, to 52 in 1805, and did not until 1810 attain the height of 1802. The price of grain rose rapidly, until at length in 1812, it was at the enormous height of 128s. per quarter, being more than double the average price before the war. Wages also rose, but very slowly, and although those who earned 3s. in 1790, now received 5s. 5d., that sum would not purchase an equal quantity of provisions, showing a diminution in *the labourer's quantity*, resulting from the diminution in his proportion.

The effect of the waste produced by the war, was greatly diminished by the peculiar circumstances in which Great Britain was placed. In no other country, except the United States, were person and property secure. War raged throughout the continent, and the territories of every State were in turn ravaged. The consequence was that capital to an immense extent was transferred to England, thus making some amends for the constant drain upon her resources. This capital assisted to produce the vast machinery of Great Britain, by which she was enabled to work up the immense amount of cotton and sheeps' wool now imported. The former rose from about 25 millions, at the commencement of the war, to an average of above 100 millions in 1810 and 1811, and the latter had trebled in amount. The possession of this machinery enabled her to produce clothing of all descriptions on more advantageous terms than any other part of the world, and to command in return for labour a larger amount of the precious metals. Hence the rapid rise in the money price of labour after the peace of Amiens, when capital began again to increase, by which the labourers were enabled to



command a much larger portion of the necessities of life than they could have done before the war. The waste of the second war soon lessened the ratio of production to population. Money wages did not fall, because with the improvements in machinery the same quantity of labour could always produce commodities that could command in foreign markets an increased amount of the precious metals. Diminished production *could not show itself in a reduction in the rate of money wages* because the power of obtaining money was not diminished, and therefore became obvious in the form of increased prices of all articles of necessity, except clothing. Such was its form, as we have seen, and as we now again see from the fact, that notwithstanding the advance in the price of corn, consequent upon its diminished production, the landholders were compelled, in 1803, to apply for an increase in the duty on importation; and the price at which wheat was allowed to be imported on payment of a nominal duty, was then increased from 54s. to 66s. The government, in like manner, claimed its share of the high money wages, and the taxes underwent the following changes—

	1800.	1805.	1810.
Malt, - -	10s. 6d.	18s. 8d.	34s. 8d.
Strong beer, -	9 5	10 0	17 10
Tea, - -	20 per cent.	65½ per cent.	96 per cent.
Tobacco, -	1 7½	1 8½	2 2½
Sugar, - -	20 0	27 0	26 6
Rum, - -	9 0½	13 5½	13 7½
Salt advanced from	14 0 to	16 10½	19 9

Thus nearly the whole weight of the war was thrown upon the labouring classes. Their situation had improved since 1793, in consequence of the vast improvements in machinery, by which *clothing* was rendered more easy of acquisition; but for the purchase of provisions it had not varied. Their money wages were higher, but grain had increased in a ratio equally great, and the diminished growth of capital prevented the increase of houses, and enabled the owners of those already existing to demand higher rents, or an increased proportion of the wages of their occupants, while the taxes on other important articles of consumption had advanced their prices, so as to absorb an important portion of the saving upon clothing. From 1802, their situation had materially deteriorated. Production had not kept pace with population, and their *proportion* had diminished.

The owner of capital invested in the funds could not obtain as large an amount of the necessities of life as in 1802. At that

time, £ 100 in money would purchase £ 142 in stock, yielding  $4\frac{25}{100}$  per cent., for which he could have wheat at 67s. 4d. per quarter, and all other provisions in proportion. In 1810, £ 100 would command £ 147 of stock, yielding  $4\frac{41}{100}$  per cent. interest. Wheat was then at 112s. per quarter, and commodities of all descriptions had greatly advanced. The improvements by building were not greater, notwithstanding the increase of population, than in 1803, the number of bricks consumed being little more in 1810 than in the former year, and the number of tiles being almost precisely the same. The owner of land near the cities was debarred from the advantage that would have arisen out of the increase of capital, and consequent growth of cities and towns. The owner of that in cultivation, had acquired a right to levy a tax upon the consumer of corn and other provisions, but he in his turn was taxed for the support of the labourers who were thereby deprived of the powers of supporting themselves, and at the same time subjected to the payment of a heavy tax upon his income for the maintenance of government.

From 1802 to 1810, the bankruptcies were as follows :

			Traders.		Bankers.
1802,	-	-	1,090	-	8
1803,	-	-	1,214	-	8
1804,	-	-	1,117	-	6
1805,	-	-	1,129	-	9
1806,	-	-	1,268	-	5
1807,	-	-	1,362	-	1
1808,	-	-	1,433	-	5
1809,	-	-	1,382	-	7
1810,	-	-	2,314	-	26

The debt contracted since 1793, demanded 26 millions for the payment of interest, and was a mortgage upon the capital of Great Britain, for the amount of the principal. All that could be supplied by the labouring classes had been *taken*, while most of that which should have been contributed by the capitalists, had been *lent*. Had the capital now been assessed upon that body, it would have been found that they had not increased in wealth as they had supposed. We have abundant evidence that the labouring classes were impoverished by the war, and there is equal evidence that the capitalists were so, in the fact of the very slow increase of investments for the benefit of their landed property; in the diminished quantity of commodities that could be obtained in return for the use of any given quantity of capital; and in the increased taxes on capital, in the form of poor rates.

Large as had been the expenditure between 1803 and 1810, the nation had, nevertheless, grown in wealth, so as to be enabled to bear the burthen with some ease, and agricultural production at the close of that period, had attained the same height as in 1802 and 1803, with a considerable increase of manufacturing production. The expenditure of 1811 and 1812 increased considerably, and the average amount of shipping employed was less in those years than in 1810; the foreign produce consumed fell off; the cotton, wool, and silk imported was greatly diminished; the average of enclosures of those years was less than in 1810, and the average of cattle and sheep brought to market diminished, and the price of grain, which was rather less in 1811, rose in 1812, to 128s. per quarter. Wages in money remained the same, but the power of obtaining commodities was still further diminished. The interest of capital rose, but would not command as large an amount of provisions as in 1810. The number of buildings, as shown by the consumption of bricks and tiles, increased in 1811, but again fell off in 1812, and continued to do so. The bankruptcies in those years were,

		Traders.		Bankers.
1811,	-	2,500	-	4
1812,	-	2,228	-	17

being greater by 150 per cent. than in 1792.

In 1813, and the following years to 1816, the expenditure still further increased. The tonnage employed increased rapidly; but a large portion, if not the whole of the additional quantity was unproductively used as transports, adding nothing to the national wealth. The consumption of foreign produce fell off; the importation of cotton was greatly reduced, while that of wool and of silk increased in consequence of the facility of obtaining supplies from the continent now opened to British commerce. The number of enclosures diminished; the quantity of cattle and of sheep brought to market fell off greatly; the amount of building was greatly reduced, and the consumption of bricks fell below that of 1792. Wages remained the same, but grain fell to the price of 1805 and 1806.

The markets which had been closed to British manufactures were now opened, and grain was imported to a considerable extent, thus increasing the facility of production. The ability to purchase provisions on the part of the labouring class was increased, and their condition improved. During this period, the sum expended for the relief of the poor fell from £6,294,581 to £5,724,839.

A period of extraordinary changes like that under consideration,

was, of course, attended with immense losses among traders and capitalists, and we find, of course, a vast number of bankruptcies, to wit:

		Traders.		Bankers.
1813,	-	1,953	-	8
1814,	-	1,612	-	29
1815,	-	2,284	-	26
1816,	-	2,731	-	37

Capitalists, traders, and farmers were involved in one common ruin. The diminished power of production had enabled capitalists generally to retain a large proportion of the commodities produced, and particularly of corn. In consequence of this diminished production, those persons who were engaged in producing silver and gold found that in exchange for a given quantity thereof they could not obtain as large a quantity of corn as they had been accustomed to receive, and thus they suffered by the waste caused by the wars of Europe. The *occupier* of land, accustomed to obtain a given quantity of gold in exchange for a given quantity of wheat, had contracted to pay a certain money rent to his *landlord*. The increased facility of producing corn now enabled the producer of gold to obtain a larger quantity in exchange for his products, by which he was benefited; but the tenant who had contracted to pay a given rent was ruined, because his contract was to deliver *gold*, and not *corn*, the commodity which he produced. He would have been willing to deliver a larger quantity of *wheat* than could ever before have been obtained by his landlord as rent, but the latter wanted *gold*, and not wheat. To enable him to deliver the quantity of the commodity that he had contracted for, it was deemed necessary to diminish the power of production, by forbidding importation when the price was below 80s. From that time to the present, there has been an almost constant fall in the money prices of commodities generally, attended by a constant effort, by means of restrictions, to maintain the price of corn, in Great Britain, for the purpose of preventing a reduction of *money* rents.

In the succeeding ten years, the debt underwent a reduction of forty millions. The gross receipts from taxation, which in 1817 were 82 millions, fell to 63 millions. The waste of the war was over, and capital increased rapidly. The consequence was a rapid increase of production, accompanied by *a great increase in the proportion assigned to the labourer*. His wages remained at nearly the same rate, while the prices of all commodities fell, and thus his situation gradually improved.

On a former occasion,\* we gave an extract from a report of the Agricultural Committee of the House of Commons, showing that no material change had taken place in the money wages of agricultural labour since the war; and the following statement of wages of young women in cotton mills at Manchester, compared with the prices of articles of necessity, shows that in manufactures there has been no material change of wages, while the prices of all commodities required by them have fallen greatly.

	1803.	1808.	1813.	1818.	1823.	1828.	1833.
Throstle spinners, per week of 72 hours, .	9s. 1d.	9s. 0d.	8s. 4d.	9s. 10d.	9s. 1d.	9s. 1d.	8s. 10d.
			to 9 2				
Hours worked,	78	60	75	77	74	72	69
Wages paid, -	10s. 1½d.	7s. 5½d.	8s. 8d.	10s. 5d.	9s. 3½d.	9s. 1d.	8s. 5½d.
			to 9 6				
Flour, per 240 lbs.,	40 0	55 0	70 0	47 0	40 0	45 0	35 0
			to 82 0	to 60 0			
Potatoes, " "	7 0	12 0	12 0	7 6	5 9	7 0	4 6
Butchers' meat,	0 6	0 5½		0 5	0 4½	0 4½	0 3½
Coals, per 112 lbs.,	0 10	0 8½	0 8	0 6	0 6	0 6	0 5½
				to 7	to 6½	to 6½	
Strong calicoes, per yard,	0 10				0 9		0 4

The interest of capital has fallen during that time, and the three per cents, which in 1813 would afford the holder 4½ per cent. interest, will now give him but about 3½ per cent. With that he could, however, in 1833, purchase 60 per cent. more of flour, potatoes, meat, coals, and calicoes, than he could do in the former period. Here we have increased production yielding to the capitalist a *diminished proportion* with a constant increase in the *real* profit of capital, and to the labourer an *increased proportion*, enabling both labourer and capitalist to increase their consumption, a result corresponding precisely with that which we have already shown to have taken place in the United States.†

\* Vol. I. p. 255.

† Vol. I. p. 93.

† For the tables we have here given we are indebted to Mr. Tooke's excellent work "On High and Low Prices." The object of that gentleman was to disabuse the public mind in regard to the too prevalent notion that war expenditure produced high profits, and to show that the nation advanced more rapidly in peace than in war. He attributes, as we do, the high prices to deficient production, but he attributes deficient production mainly to bad seasons. Unfavourable seasons may occur in periods of peace as well as of war, and the apprehension of them will not induce a love of peace; but if Mr. Tooke had shown that the natural effect of a waste of capital, was to increase greatly the effect of bad seasons, and that in all

The most striking fact that is to be observed, on a review of this period, is the entire abstinence of the government from taxes on capital, until forced thereto by absolute necessity. During

seasons it tended to lessen the power of production, and to diminish the *proportion* obtained by the labourer, how strong would have been the argument in favour of peace!

Deficient production must always be attended with the same effect, be the cause what it may, and we agree with Mr. Tooke that unfavourable seasons contributed to produce the state of things we have reviewed, but we differ much in our estimate of the amount of influence exercised by them, and believe that vastly more is to be attributed to the waste of capital by war.

To show the difference of effect produced by unfavourable seasons in time of peace, from that produced when the waste of capital by war combined therewith, we shall give a brief view of the seasons from 1783 to 1800, with the prices of wheat.\*

	Average price of wheat per bushel.†	
1783, not remarkably unfavourable, followed by a severe winter,	-	7s. 6d.
1784, cold and ungenial—severe winter,	- - - -	7 0½
1785, - - - -	- - - -	6 2½
1786, committee appointed by the corporation of London, to inquire into the cause of the dearth of provisions, and their high price. The magistrates of Sunderland, state that "for the last three years we have had two very dry summers, and three very severe winters,"	- - - -	5 11½
1787, - - - -	- - - -	7 0½
1788, - - - -	- - - -	7 3½
1789, crops indifferent,	- - - -	8 1½
1790, - - - -	- - - -	7 7
1791, remarkably abundant,	- - - -	6 0
1792, scanty and indifferent,	- - - -	7 6½

On a review of the whole period from 1782 to 1792, both inclusive, says Mr. Tooke—p. 255—there seems to have been, after the very bad harvest in 1782, a large proportion of severe winters and backward springs in the earlier part of the series, and with the exception of 1791, no instance of very abundant produce.

1793, a very dry summer—wheat moderate—spring crops deficient,	-	6 5
1794, wheat deficient. Leguminous crops failed totally,‡	-	7 11½
1795, an unfavourable season. Bounty granted on importation of wheat, 16s. to 20s. per quarter,	- - - -	11 9
1796, a plentiful harvest,	- - - -	8 5
1797, crops somewhat deficient in quantity and quality,	- - - -	6 9
1798, moderately abundant,	- - - -	7 0
1799, "as ungenial to the productions of the earth, and to the animal creation, as any on record,"	- - - -	13 8
1800, a highly unfavourable season,	- - - -	19 0

In this period, "after the indifferent and scanty crops of 1792, there were no

\* In making this average we have taken the two returns that are affected by the crop of the year. Thus, for 1783, we have taken the price at Michaelmas, 1783, and Lady-day, 1784.

† From the Eton College return, quoted by Tooke, p. 28 Appendix.

‡ Arthur Young says, "the leguminous crops have scarcely returned even the seed committed to the ground for them."

the whole war, the capitalist *loaned* to the government, while the labourer *gave*. Unjust as this may seem it was still to the interest of the labourer that such should be the case, because, had the government attempted to make capital pay its fair proportion of

fewer than four of great and general deficiency, viz. 1794-5-9 and 1800; two of bare average produce, 1793 and 1795; two only of good crops, 1796 and 1798, and there were four severe winters among the eight, viz. 1794-5, 1796-7, 1798-9, and 1799, 1800, followed, as such winters invariably are, by cold, backward springs."—*Tooke*, p. 266.

Both periods commenced with very bad seasons, those of 1782 and 1792. In the first there was only one year of abundant produce, that of 1791, in which the average price was 6s. In the second is the year 1796, giving an abundant harvest, with the price at 8s 5d. If we now take the period from 1783 to 1793, both inclusive, 11 years, with a succession of bad springs, severe winters, and short crops, and but one year of abundant produce, we shall obtain an average price of 7s. Then taking the six years from 1794 to 1799, both inclusive, we shall have two of good crops; one somewhat deficient in quantity and quality, and three unfavourable seasons, in which the average price was 9s. 3d. It will be seen that we have thrown out of view the year 1800, in which the average price was 19s. We have done this, because we desire to give every advantage to this second period. The reader, on comparing Mr. Tooke's account of the first eleven years, will be satisfied that it must have been worse than the second of six years, notwithstanding which the price in the latter period of war was one third higher than in the previous one of peace.

We think there can be no doubt that the same unfavourable seasons might have occurred in a time of peace, without affecting the prices of wheat in the second more than in the first period. During the early years of the war, the diversion of capital from its proper employment, tended to limit production, and to increase the capitalist's share of production. It limited cultivation, the consequence of which was a necessity for importing grain. It limited the amount of shipping employed, the consequence of which was an advance of freights. It increased risk, and raised the rate of insurance; all of which extra charges were required to be paid by the consumer. Every thing tended to diminish the share of the labourer. In confirmation of this view, we give the following estimate of the cost of labour upon a farm of 100 acres, at three periods,\* viz.

	1790.	1803.	1813.
Labour,	£ 85 5s. 4d.	£ 118 0s. 4d.	£ 161 12s. 11d.
Price of wheat,	56 6	56 6	108 9

In the course of the 23 years that elapsed from the first to the last of those periods, there had been a considerable increase in the productiveness of agricultural capital. The implements in use were better, and the mode of action had been materially improved. If we suppose the product of the 100 acres in the first period to have been 200 quarters, and allow 10 per cent. of improvement in each of the above periods, we shall have for

	1790, Quarters.	1803, Quarters.	1813, Quarters.
A product of	200	220	242
Wages in wheat,	30	42	33

Here we find 1790, a period of peace, giving 15 per cent. of the product to the labourer; 1803 following immediately after, a period of peace, giving him 19 per cent., and 1813, a period of war, with immense expenditure, giving only 12½ per

\* Returns made to the Board of Agriculture, and published by Arthur Young.



the cost of the war, investments at home would have ceased, and capital would have sought elsewhere for employment, the consequence of which would have been a still more rapid decrease in the ratio which production bore to population, and *a still more rapid decrease in the proportion falling to the share of the labourer.*

Such being the case, it is obvious that it is to the labourer of the highest importance that government should be administered in that way which tends to permit the most rapid growth of capital. It is therefore desirable that the mode of raising contributions for its maintenance should be such as to cause its weight to be equally felt by all portions of the community, in order that every member thereof, the farmer and his labourer, the capitalist, the magistrate, and the mechanic, should feel the necessity of opposing every measure tending to increase expenditure, and of uniting with his fellow citizens in all measures tending to secure the maintenance of peace, and diminution in the cost of government.

The employment, in the business of government, of a single man whose services are not absolutely necessary, is a loss to the community of the whole amount of his labour. The services of the soldier are lost, as are those of the maker of muskets and of powder. Those of the sailor are lost, as are those of the men employed in building ships of war, in casting cannon, &c. It is, therefore, of the highest importance to all classes, but particularly to the labouring population, that the share of the government in the general distribution of the proceeds of labour should be small. It is no compensation to them, that fine palaces or splendid theatres should be built. The same capital left in the pockets of the producers, would build rail roads or canals, facilitating the acquisition of the means of subsistence or of enjoyment.

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cent. The landlord retained, in the first case, 170 quarters, and in the latter 212, burthened with immense poor rates and a heavy income tax. His net income in wheat was diminished.

The only rise of any moment that has taken place since 1814, when wheat fell to 74s. per quarter, is that of 1817 and 1818, in which years it was 94s. 9d. and 84s. 1d. Since that time there has been a tendency downward in the price of wheat, while wages have been steady. The latter have been rising at the expense of profits, precisely as profits before rose, at the expense of wages. During the war, interference with the growth of capital enabled the owner of it to obtain an undue proportion of the product, but since that time the restraint laid upon the employment of a rapidly increasing capital has limited the field of employment, and its power of production. The labourer's *proportion* is large, but the *amount* would be much greater for him and for the capitalist, were there no such restrictions.



Mr. M'Culloch deems taxation advantageous as a spur to exertion. He says:

"We are also disposed to believe, how paradoxical soever such a notion may appear, that the taxation to which we have been subjected has, hitherto at least, been favourable to the progress of industry. It is not enough that a man has the means of rising in the world, within his command; he must be placed in a situation, that, unless he avail himself of them, and put forth all his energies, he will be cast down to a lower station."\*

He thinks that it may be carried too far, and that,

"However great the capacity of the principle of accumulation to repair the waste of capital, we must take care not to fall into the error of supposing, as very many have done, that its operations are in *all* cases promoted by a large public expenditure. To a certain extent, indeed, this is true. A moderate increase of taxation has the same effect on the habits and industry of a nation, that an increase of his family, or of his necessary and unavoidable expenses, has upon a private individual."†

This view of the subject is calculated to produce great error. The moment we admit that taxation *in any case* tends to promote industry, it is impossible to say where we shall stop. What is moderate in England would be deemed immoderate in the United States; but were the rulers of the latter possessed of the same power, they might adopt Mr. M'Culloch's views, and fancy that the taxation of England was sufficiently moderate, and that the prosperity of the nation might be advanced by maintaining an army of 70 or 80,000 men, and a navy of 100 or 200 ships.‡ What is the result of experience? In the United States, taxation has never been sufficiently heavy to substitute fear of poverty in the place of the hope of improvement of condition; it has never operated as a stimulus. In England, that feeling has existed to a great extent, yet in many parts thereof cultivation is carried on in as careless and slovenly a manner as can be found in any part of the United States, as witness the following:

"In the rich soil of Essex, the wretched system of fleet ploughing, and whole year fallows, is still pretty generally followed; the agriculture of Sussex is said to be at least a century behind that of East Lothian or Norfolk; and in some of the midland counties, it is cus-

\* M'Culloch's *Statistics of British Empire*, Vol. II. p. 38.

† M'Culloch's *Principles*, p. 113.

‡ Mr. M'Culloch thinks that "sound policy" would suggest that "our peace establishment should be fixed at *forty* to *fifty* thousand able-bodied seamen."—M'Culloch's *Edition of Wealth of Nations. Article on Impressment.*

tomary to yoke four or five horses to a plough for the tillage of light land?"\*

In confirmation of his view, Mr. M'Culloch says, it is necessary that farms should pay rents fully equal to their value, and that low rents tend to cause a decline in the tenant's industry. He quotes Mr. Low, who says,

"I have not seen an instance of rent being very low, and husbandry at the same time being good. Innumerable are the instances of farmers living miserably, and even breaking, on farms at very low rents, being succeeded by others, on the same land, at very high rents, who make fortunes."†

The error here we conceive to be the substitution of effect for cause. In a district in which cultivation is bad, produce is small and rents are so. Landlord and tenant are probably a match for each other, and both are behind the age. If it were otherwise, the former would not rent his land for less than its proper price, or if he did so, the farmer would become rich. In this state of things, a man coming from a part of the country where more intelligence existed, and where cultivation had been improved, would be able to pay a higher rent, and make larger wages for himself.

In Poland, in France, in Germany, cultivation is bad and rents are low. Which is the cause, and which the effect? Do ignorance and insecurity cause bad cultivation, and does that cause rents to be low: or, do the low rents cause the people to be ignorant and careless? The answer to this is to be found in the fact that every increase of production is attended by a *diminution of the share of the capitalist*, or of his power to tax the labourer for the use of his capital; and every such diminution is attended by an *increase in the steadiness with which labour is applied*. It is universally found that the low rents absorb the largest *proportion* of the product.

If taxation be a stimulus, the advantage must increase with its extent, and taking 2s. per week, must do more good than taking 1s. Mr. M'Culloch, however, insists that it shall be *moderate*; but moderation depends on habit. That which would appear to him very moderate, would be deemed very immoderate in the United States, because the people are unaccustomed to the payment of taxes.

We think Mr. M'Culloch has fallen into the same error with the man who attributes increased vigour to two glasses of brandy, while he deprecates the drinking of a quart, as likely to produce

\* M'Culloch. Principles, p. 456.

† Ibid. p. 115.

intoxication. The man in sound health who drinks two glasses, will not work as well as he who drinks none, but he will do so much better than his neighbours, who drink by the quart, that it may be supposed that his superiority results from the glasses taken, when it really arises out of the six that he has forborne to take. If taxation be good so is the lash; both will make people work, but neither will make them work well, nor will they ever do so unless they can feel that they are working for their own advantage.

The following passage from the same writer, shows his views of the effect of *immoderate* taxation.

"The effect of exorbitant taxes is not to stimulate industry, but to destroy it. No man will ever be really and perseveringly industrious, whose industry does not yield him a visible increase of comforts and enjoyments. If taxation be carried so high as to swallow the whole, or even the greater part of the produce of industry above what is required to furnish us with mere necessities, it must, by destroying the hope and means of rising in the world, take away the most powerful motive to industry and frugality, and, instead of producing increased exertion, will produce only *despair*. The stimulus given by excessive taxation to industry, has not been unaptly compared to the stimulus given by the lash to the *slave*—a stimulus, which the experience of all ages and nations has proved to be as ineffectual as it is inhuman, when compared to that which the expectation of improving his condition, and enjoying the fruits of his industry without molestation, gives to the productive energies of the citizen of the free State."\*

This is equally true of all unnecessary burthens, whether great or small. So far as it is necessary for the security of person and property, money spent for the support of government is as usefully expended as in the purchase of clothing or provisions; but when the sum taken exceeds what is required for that purpose, it is only a question of amount between the sovereign of India, who exacts one half of the produce, and the legislator of Great Britain or the United States, who exacts a million of pounds, or of dollars, for which an equivalent is not given.

Legislators would do well to recollect the following sound remarks of Sir Henry Parnell:

"Taxation is the price we pay for government; and every particle of expense that is incurred beyond what necessity absolutely requires for the preservation of social order, and for the protection against foreign attack, is waste, and an unjust and oppressive imposition upon the public. Every minister, and every member of Parliament, who has the power to spend or save public money, should do his best to prevent the

\* Sup. Ency. Brit. art. Taxation.

wants of the State from depriving the people of the means of providing for their wants, and therefore economy and frugality, which are virtues in a private station, for their vast influence upon national happiness in public stations, become the most pressing of duties.”\*

Heretofore, a large portion of the people of Great Britain have believed that a state of war was that in which the nation was most prosperous, and they have been content to barter the advantages of peace for the glories of Blenheim or Ramillies, Vittoria or Waterloo. Intoxicated with glory, and deafened by shouts of victory, and the roar of cannon celebrating their triumphs, they have squandered hundreds of millions seeking that prosperity which stood at their doors waiting the return of reason. Like the drunkard, feeling after every such debauch the injurious effects of excitement, they have been disposed to attribute those effects to the absence of stimulus, and not to the stimulus itself. Thus at each return of peace, the nation has found itself burthened with increased debt, requiring increased taxes, tending to lessen the enjoyments of the people; but those inconveniences have been attributed, not to the war, but to the peace. The necessary consequence of this has been a proneness to embrace the first opportunity of recommencing hostilities, and causes the most insignificant—the taking of Oczakow—the seizure of the Falkland Islands—or the denial of the right to cut logwood in the Bay of Honduras—have been sufficient to set the nation in a flame. When, at length, the French revolution occurred, it was gladly seized upon as affording an opportunity to interfere in the affairs of the continent, in accordance with the system that has prevailed since the accession of the House of Orange, and the war then commenced was persevered in, until its close found the nation in a state of prostration, and the people by whom it was most desired, reduced to the alms-house.

“Ships, colonies, and commerce,” was the cry of Napoleon, echoed by the British ministry, and gladly re-echoed by the people, always accustomed to associate the idea of prosperity with that of extended dominion. During the whole of the last century, a similar erroneous association led the nation to do that which each member of it would have deemed madness in an individual, because it was supposed that the rules which should govern the actions of individuals could not be applied to those of nations. Had they seen a man wasting his means, and incurring heavy debts in the prosecution of hazardous enterprises, the benefit of

\* Financial Reform, p. 107.

which was doubtful, even should they succeed to the full extent of his anticipations, while his farm was untilled, or his business neglected, they would have said that he must become bankrupt, and his credit would have been destroyed. Yet the people who would argue thus in regard to an individual, neglected the means of prosperity within their grasp, seeking to increase their store at the expense of their neighbours; and the addition of a new colony, although like Gibraltar, Malta, or St. Helena, productive only of cost, was deemed sufficient to entitle the minister to the gratitude of the nation. Every acquisition was accompanied by an increase of debt and consequent increase of taxation, tending to prevent the proper cultivation of the farm at home, until at length it was found necessary to apply the same system to her possessions in America, the attempt at which destroyed her connexion therewith, and added greatly to her embarrassments. Had she been content, prior to the war of 1756, to cultivate her own resources, she would never have experienced the want which led to that attempt. It is true, she might not have added Canada to her already extended dominion, but she might have retained her other American connexions, perhaps even to the present time; or, when they had become too strong to be longer held as colonies, the separation might, and probably would have been a peaceable one, each party governing itself, but remaining one for all purposes of commerce. The battle of Plassey substituted dominion in the east for that which she lost in the west, but it has added nothing to her prosperity. It has enabled many men to bring home large fortunes, acquired at the cost of the cries, and groans, and curses of the unfortunate Hindoos, plundered by order of a Clive or a Hastings; but to the substantial comforts of the mass of the people, it has added nothing in any shape: on the contrary, the right of freely exchanging their products with the people of India and China, has been restrained for the *supposed benefit* of the conquerors of India, who have expended immense sums upon a property, the whole income of which is required to maintain order among its unfortunate occupants. Subsequently, the wars of the French revolution made large additions to the possessions of the nation, on the one hand, and corresponding additions to its embarrassments, on the other; increasing the care and anxiety of the governors, and preventing that improvement in the condition of the governed that would otherwise have taken place.\*

\* "Our European commerce yields but a poor set-off against the expenses of the war. The hundred days of Napoleon cost us forty millions; the interest of which,

Had the laws which govern the rate of wages, and the effect of the various disturbing causes which prevent the action of those laws, been properly understood, wars could never have been popular. Mr. McCulloch says, with great truth, that

“The labourers are masters of their own fortunes, and that there is little reason to hope for any great improvement, until they shall be made to understand correctly the laws which govern the rate of wages, and the fact that it rests with them to determine what that rate shall be.”

Had they understood them, they would have seen that a state of peace was that in which they must prosper most, and would have been indisposed to join in a pursuit that might bring them “glory,” but that must inevitably diminish their power of obtaining food and clothing. Had they been understood by those in “high places,” upon whom rested the cares of government, they would have seen that the prosperity and happiness of the people, in which would consist their own true glory, were not to be promoted by empty triumphs, nor by the addition of barren islands to their already extensive possessions. They would have seen that peace alone could do it, and had they done so, the people of Great Britain, instead of groaning under the pressure of taxation for the maintenance of government and for the support of a host of paupers, might now be the happiest and freest from taxation of any nation in the world. It is, indeed, impossible to imagine the height of prosperity which she might have attained, had she kept aloof from the intrigues and contentions of the continent during the last century, as she might well have done, and had the thousands of millions expended in paying men for carrying muskets been left in the hands of their owners, to be applied as they might judge most likely to conduce to their comfort and advantage. Unfortunately, however, the triumphs of peace are little valued, and Sir Robert Walpole, who could maintain a peace for twenty years, is little thought of when compared with the elder Pitt, whose first wish was for extended territory, and who is best known for carrying the nation triumphantly through a war; and the names of Alexander and of Cæsar

at five per cent., is two millions. Now, our exports to all Europe, of British manufactures, amount to about eighteen millions annually; and taking the profit at ten per cent., it falls short of two millions: so that all the profit of all our merchants, trading with all Europe, will not yield sufficient to pay the yearly interest of the cost of the last hundred days war on the continent, leaving all the other hundreds of millions spent previously, as so much dead loss.”—*England, Ireland, and America*, p. 6.

are familiar to thousands who never heard of Antoninus Pius, or of Marcus Aurelius.

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We now submit to the consideration of the reader the following propositions:

I. That every increase of capital tends to improve the quality of labour.

II. That every improvement in the quality of labour is attended with increase in the amount of production.

III. That every increase in the amount of production is attended by *an increase in the labourer's proportion*; and, consequently,

IV. That increase of capital is attended by an increase of production, and an increase in the labourer's proportion thereof.

V. That every measure tending to prevent the growth of capital tends to retard the growth of production, and equally to retard increase in the labourer's share.

VI. That the growth of capital is most rapid where the expenditures of government are small, and that every increase in the amount expended tends to diminish its growth.

VII. That, consequently, every measure that tends to lessen the expenditure of government, tends to *increase the power of production*, and to *increase the proportion of the product that may be claimed by the labourer*.

VIII. That every measure tending to increase the demands of government, tends to *diminish the power of production*, and to *diminish the proportion of the product that may be claimed by the labourer*.

IX. That although increased expenditure tends thus to produce an *increase of the proportion* of the capitalist, the total product being diminished, *the quantity* of commodities obtainable by him in return for the use of any given amount of capital, is likewise *diminished*.

X. That increase in the government expenditure, by arresting the growth of capital, tends to diminish the comforts of both labourer and capitalist.

XI. That it is, therefore, to the interest of both that peace should be maintained, that government expenditure should be diminished, that capital should grow, and that production should be increased.

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Allowing his views of the conflicting interests of the receivers of wages and of profits to mislead him, Mr. M'Culloch says that, "the demand for a large number of men for the supply of armies and fleets, must raise wages, in consequence of the increased de-



mand which it produces, and that the increase of wages must come from profits." As the reward of the labourer depends upon the quantity and quality of the commodities obtainable in exchange for a given quantity of labour; as that depends upon the total amount of production; and as *the labourer's proportion increases with every increase in the quantity produced*; this theory must remain unsusceptible of proof, until it can be shown that in any given community a greater amount of commodities will be produced where one half of the population is employed in shouldering muskets, than when the whole are employed in the agriculture, manufactures, or commerce; or, when the half shall be shown to be greater than the whole. If Mr. M'Culloch's views on this subject were generally received, it would not be extraordinary that wars should be popular among the labouring classes, but if they could be made to understand their own interests, they would be sensible that "war is mischievous to every class in the community; but to none is it such a curse as to the labourers."\*

"War is a game, which were their subjects wise,  
Kings would not play at."—*Cowper*.

\* Senior.



## CHAPTER XI.

## DISTRIBUTION.

## GOVERNMENT.—CAPITAL.—LABOUR.

## INDIA.—FRANCE.—ENGLAND.—UNITED STATES.

WE come now to inquire into the revenue systems of the several countries to which we have referred, with a view to ascertain the influence exercised by them upon the condition of both capitalist and labourer.

In INDIA, there was, for a long period, as has already been shown, a diminution in the power of production,\* attended by a power on the part of the landholder, or capitalist, to demand *an increased proportion* of that diminished product. The effect of this was to place the cultivator daily more and more at the mercy of the owner of landed or other capital. He was willing, as now in Ireland and in France, to pay almost any price for the use of a piece of land from which he could extract the food necessary for his subsistence. He could not demand a lease,† but was willing to remain a tenant at will, liable to be driven off when he failed to comply with the demands of his landlord, however extravagant they might be.‡

Instead of an increased ability to accumulate capital, consequent upon an increase in the power of production, the unfortunate Hindoo found his productive power diminished, at the same time that an *increased proportion* was taken by the government, which now claimed to be owner of all the land. The effect of this was entirely to prevent accumulation. The great landlord, as a natural consequence, found that *the increased proportion gave him no increase of quantity*, and further exertions were necessary, on the part of his collectors, to bring the revenue up to the expenditure. New taxes were imposed—new monopolies were created—new officers were appointed—increased vigilance on all sides was required—the exertions of the labourer or the manufacturer were scrutinized—and if he produced a small additional quantity of cloth,§ or of rice, his taxes were increased—but notwithstanding all these exertions, the actual receipts into the treasury, in 1827–8, exceeded by *only 45 per cent.*, those of 1805, at which time a

\* See page 53, *ante*.

† See page 99, *ante*.

‡ Ibid.

§ See page 96, *ante*.

large portion of the territory now owned by the Company, was under the government of native chiefs.\* During a large portion of the time that India has been under the control of the Company, the governors appear to have forgotten that there can be no increase of capital, or improvement of condition, where the government claims *all that is not necessary to the support of existence*, and that without increase of capital there can be no increase of production from which to derive an increase of revenue.

The labourer had little inducement to exertion where every additional effort was met by an increase of tax. The capitalist would not apply his means to the improvement of his property when of the increased product that might be obtained one half was claimed for the support of government. The necessary consequence was that no such investments were made.† The establishment, therefore, by Lord Cornwallis, in parts of the presidencies of Bengal and Madras, of the *permanent assessment*, although its extravagant amount produced at the moment great injury, was one of the happiest events that could have occurred in British India, and its general effect has been highly advantageous; but, unfortunately, the system was not extended throughout the empire, and hence the slow progress of improvement. By it, the government granted to the Zemindars, or proprietors, all its interest in their lands, upon payment of a *fixed annual rent, or tax*, the effect of which was precisely the same as if the United States, instead of de-

\* Revenue, 1805-6, - - - - - £15,403,409

" 1827-8, - - - - - 22,802,947

*Rickards, Vol. II.*

The gross revenues of the three presidencies, during the fifteen years ending 1828-9, were £309,151,920, or nearly £21,000,000, per annum.

The following statement shows the sources whence these revenues are derived.

Direct taxes, - - - - -	£11,885,560
Salt, - - - - -	£2,314,982
Customs, - - - - -	1,380,099
Opium, - - - - -	1,442,570
Post-office, - - - - -	103,501
Mint receipts, - - - - -	60,518
Tobacco, - - - - -	63,048
Stamps, - - - - -	328,300
Judicial fees and fines, - - - - -	70,469
Sayer and Akbaree, - - - - -	764,759
Marine and pilotage, - - - - -	45,974
Excise in Calcutta, - - - - -	19,106
	<hr/>
	6,593,326

£18,478,886

*Martin's Col. Lib. East Indies, Vol. II. p. 113.*

† See page 127, *ante*.

manding payment for the lands which it sells, contented themselves with payment of interest upon a certain fixed value. The proprietors thereof, *freed from further taxation, or the apprehension of it*, would go on to apply their capital to its improvement, and would reap the benefits thereof, precisely as is now done when lands or lots are occupied under deeds stipulating the payment of permanent ground rents.

In India, however, the tax was originally fixed very high, the consequence of which was that much of the land changed owners, and in many cases *it would not sell for the amount of a single year's assessment*.\* The unfortunate landholders were thus deprived of their property, but their successors were secure in the enjoyment of it, and applied their capital to its improvement, with the full confidence of enjoying the proceeds. The result is to be found in the fact, that land so held now sells for sixty and seventy years' purchase of the rent. Such is the effect of security of property and moderate taxation.

Had the system been extended throughout the empire, the effect would have been a rapid increase of production and a great rise of wages; but, unfortunately, its progress was arrested, and the holders of the lands upon which it was established now enjoy a monopoly of all those the possession of which is secure from the heavy claims of the Company—the great landed proprietor. They are in precisely the situation of the owners of tithe-free lands in England, who are enabled to claim, *as rent*, the usual proportion of the product, together with that which would be claimed *as tithe*. The increase of capital which results from the diminished demands of the government in those districts in which the permanent settlement is established, *tends* to increase wages, and thus we see a gradual advance; but it is slow, compared with that which would take place if the system had been made universal. Were it now made so, capital would accumulate in every part of the empire, production would increase, the *share* of the capitalist would fall, that of the labourer would rise, wages would increase rapidly, and the *amount* of profits to be divided among the owners of capital would be greatly increased.

In a portion of Bengal the assessment is made every five years, and the capitalist, if he makes an improvement, does so with the knowledge that at the end of that term the government will claim one fourth, or, perhaps, one half, of the extra product. Under the Mouzawar, or village settlement, and the Ryotwar settle-

\* See page 101, *ante*.

ment,\* the assessment is liable to change every year. The effect of this is that all the capital which might be applied to the land would become the property of the landlord—in the one case at the end of a single year, and in the other at the end of five years.

The ryot has no inducement to exertion, when one half of his earnings is liable to be thus swept away, nor will the owner of capital apply it to the improvement of cultivation, when one half of all the product is taken by the State. He will not apply it to the purchase of machinery to aid the exertions of the manufacturer, when every such machine is taxed in the same proportion.† It would be better for him to give for land in Bengal, free from this tax, 70, 80, or even 100 years' purchase, than to invest it in the presidencies of Madras and Bombay, subject to the claims of the government.‡ In the one case he would purchase a property, subject to the payment of a ground rent, upon which he might make future investments of capital, free from taxation; while in the other every new machine would be subject to the same claim as the first. The effect must be to drive all capital to Bengal, and the owners will pay a high price *for the privilege of taxing their labourers at the same rate as the Company taxes them elsewhere*.§ Their capital will increase, and with it the demand for labourers; wages will continue to rise as they have risen; labourers will come from other parts of India; the demand for land elsewhere will be diminished, and the Company will find increased difficulty in obtaining from the ryots so large a proportion as is now demanded; wages will there rise also, and capital will begin to accumulate, tending to produce a further rise of wages and diminution of the Company's share, together with an increase in the amount of revenue.

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The system of monopolies exists in full force. Opium, tobacco,

\* See page 93, *ante*.

† See page 96, *ante*.

‡ If the government of the United States, in place of selling its western lands, were to offer to rent them, reserving the right of increasing the rent every year, or every five years, at the discretion of its agents, no man would cultivate an acre of them so long as he could obtain land in the older States, in fee, at prices treble, or quadruple what are now paid. There would be no emigration of either labour or capital to the west under such a system, but, on the contrary, what was already there would be likely to return.

§ The adoption, by the United States, of such a system as that we have suggested, would be followed by a rise of rents in the older States. The owners would demand an increased proportion, as the great landholder had already done. Production would be diminished, and the growth of capital would be slow, enabling its owners to demand an increased proportion of the product of all, whether applied to manufactures or to agriculture.

and salt, are monopolized, and yield to the Company a revenue of about £3,850,000, or about 18½ millions of dollars. The labourer is deprived of the right of applying himself to the production of those commodities, and the capitalist will not apply his capital to improvements in the mode of producing them, while he is liable at any moment to have them taken from him at an arbitrary price fixed by the agents of the government.\* He feels no security, and the natural consequence of insecurity is diminished production, low wages, and unproductiveness of capital.

In addition to these taxes are others upon exchanges, upon shops, &c.; in fact, upon almost every operation of life. The tendency of the revenue system of India is to throw the whole burthen of the government upon the labourer, and here we find the disadvantageous effects that we have indicated as resulting from such a system. The people are in a low state of civilization—property is insecure—and *the great capitalist is compelled to expend nearly the whole of its income in maintaining order.* The whole revenue of the landlord of all India is but 23 millions of pounds sterling, or about 110 millions of dollars, nearly all of which is expended in the maintenance of governors, of armies, judges, &c., and the landlord is not unfrequently compelled to borrow largely for the purpose of meeting the expenses. Between the years 1793 and 1828, the amount thus borrowed was nearly *forty millions* of pounds sterling, or 192 millions of dollars. Thus the great owner of this immense territory has, almost literally, no income from it, while *the owners of the city of London have a clear rental of seven millions of pounds sterling.* The owners of land held under the permanent settlement have been admitted its partners in extracting from the labourer the proceeds of his toil, under a contract by which they are relieved from the liability to pay their share of the expenses. *Therefore their land sells at 69 years' purchase*, whilst that of the Company yields no net revenue whatever. If the whole of India were granted to its occupants with a provision for the payment of a fixed contribution, the effect would be that capital would accumulate every where, because every man would feel an inducement to exertion; property would become more secure; the necessity for maintaining large armies would be diminished; the great proprietor would no longer be compelled to expend the whole of his income in keep-

\* The average gross receipts from the sale of opium, for fourteen years, ending with 1821-2, were 9,382,263 rupees, and the cost and charges 990,738 rupees, giving a profit of 850 per cent.

ing the peace; the expenditure would yearly diminish; *his net income would rise rapidly*; and there would be millions to divide among the proprietors. Under such a system continued for half a century, the reserved rents of India, after making allowance for all expenses of government, would represent a capital of hundreds of millions, and its owners, instead of receiving, as now, one half of the gross product, would receive but a sixth, or, perhaps, but a tenth or a twentieth.

Here justice and self-interest point, as they always do, in the same direction. The enormous weight imposed upon labour produces a state of affairs destructive of the interests of the capitalist. It grinds and oppresses the labourer, compels him to subsist upon a handful of rice, and leaves him scarcely any thing wherewith to purchase clothing, while it imposes upon the owner of capital so large a tax that his immense property has scarcely any exchangeable value.

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In Mr. Martin's work on the East India Colonies,\* it is stated that a parliamentary document gives the amount of land tax, per head, in Bengal, in 1827, at 22*d.* yearly; in Madras, at 52*d.*; and in Bombay, at 69*d.*

We have already stated that a large portion of the presidency of Bengal† was granted, under the administration of the Marquis of Wellesley, subject to the payment of a certain fixed rent, or tax. In the territory of Madras about four tenths of the population occupy land granted under the same conditions. The Zemindar receives for those lands as high a rent as is elsewhere claimed by the Company, but he retains it for his own use. Taking the tax, in Bombay, at 69*d.*, and supposing that the payment, per head, in Bengal and Madras, is not greater, there will remain in the former 47*d.*, and in the latter 17*d.*‡ per head, to be divided among the Zemindars.

We have now before us tables showing the precise amount collected in the Deccan, prepared by Col. Sykes, statistical reporter to the government of *Bombay*, from which it appears that the amount of *land revenue* is 6,942,388 rupees, equal to 3.30, per head, of the population.§ This gives, at 2*s.* to the rupee, 80*d.*

\* East Indies, Vol. II. p. 123, note.

† The provinces of Bengal, Bahar, and Orissa.

‡ The payment of 42½*d.* by four tenths of the population, being the proportion which hold land under the perpetual settlement, would be equal to an average of 17*d.*, per head, from the whole population.

§ Proceedings of the Statistical Society of London, Vol. I. p. 98.

per head, being nearly fifteen per cent. more than is stated in the document referred to by Mr. Martin; and as the statements are evidently prepared with great care, we shall use it as authority for the amount elsewhere received by *the government and the Zemindars*. This would give to the Zemindars of Bengal an income, *per head*, of 58*d.*, or an advance of about 260 per cent. upon their rent.

If we take 3.30 rupees as the amount paid <i>as land revenue</i> to the two parties, by 135 millions of inhabitants, we obtain the sum of	445,000,000
If to this be added one half* the product of industry otherwise employed,	200,000,000

We obtain	645,000,000
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Land in Bengal sells at 69 years' purchase of the rent,† and as the rate of interest is 10 per cent., it is obvious that the income of the Zemindar must be at least six times as much as the rent; whereas, in the above statement we have assumed it at less than three times as much. Bengal contains 90 millions of people, or two thirds of the population of British India, and although wages are somewhat higher than in other parts of the empire,‡ the poverty of the people is exceedingly great. Production is greater than elsewhere, but the Zemindars have it in their power to take an unusually large proportion, and will continue to do so until the Company shall adopt, throughout their other territories, a different system. We think it probable that their share and that of the Company are not less than two thirds of the product.

Second. The amount of revenue from indirect taxation on salt, opium, tobacco, &c., is stated at £ 7,235,726, or 72 millions of rupees, or, with the cost of collection, 90 millions. Third, the local police. "Every village has its own village watchman, armed and paid by the village, and as there are 163,673 villages in lower Bengal, there is a further force of 160,000 men added to the government establishment.§ They are under the control of the head of the village; the head of the village is under the control of the Tehsildar, who is a local native collector of revenue; the Tehsildar is under the magistrate, who is the collector." The average number of inhabitants to each village in the Deccan, according to Col. Sykes's account, is 270, and if we sup-

\* See page 281, *ante*.

† See page 287, *ante*.

‡ Martin, Vol. I. p. 186.

§ Martin, Vol. I. p. 146.



pose the whole expense of each village, for its various officers, to amount to 270 rupees, or 135 dollars, it will follow that the whole cost is a rupee to each inhabitant, or for all India, 135 millions.

The items above particularized amount to 870 millions of rupees, being, as we believe, far short of their real amount. If the production of all India be taken at 2000 millions of rupees, or 200 millions of pounds sterling, we think it must be admitted that considerably more than one half is required to pay the expenses of government, and for the share of the owner of capital, leaving to the labourer a miserable pittance of two rupees per month, enabling him to obtain, in exchange for a year's labour, about 24 maunds = 2000 pounds weight, of rice. Were a different system adopted by the government, there can be no doubt that capital would grow, that production would increase, that the share of the labourer would rise, and that the people might gradually improve their condition.\*

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In FRANCE, previous to the revolution, the amount of expenditure was immense, and the whole revenue was derived from the contributions of the labouring classes and from capital engaged in manufactures or trade, while the estates of the nobility were exempt. The revolution was the consequence of the system. It annihilated at once the property of that portion of the community who had before excused themselves from contributions, and who had largely aided in increasing the expenditure of the State. An enlightened self-interest would have taught them that such must be the case, and that no system could be permanently advantageous but one in accordance with justice.

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In the present revenue system of that country we find all the taxes to which we have referred.

First, the system of personal service. The conscription requires annually 70,000 men, who are taken from their families for six years, and compelled to give their labour with no other

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\* "It is the high assessment on the land," the members of the board of revenue observe, "which Colonel Munro justly considers the chief check to population. Were it not for the pressure of this heavy rent, population, he thinks, *ought to increase even faster than in America*; because the climate is more favourable, and there are vast tracts of good land unoccupied, which may be ploughed at once, without the labour or expense of clearing away forests, as there are above three millions of acres of this kind in the ceded districts. He is of opinion, that a great increase of population, and consequently of land revenue, might be expected in the course of twenty-five years, from the operation of the remission."



compensation than food and clothing. They thus waste the best years of their lives, accumulating nothing, in order that the owners of capital may be relieved from the necessity of contributing as much as would be required to pay them for their labour at the usual rate of wages.

In addition to the vast number of men whose services are thus claimed by the State, every citizen between 20 and 60 years of age is enrolled in the National Guard, instituted for the maintenance of public order, and with a view to guarantee the security of person and property. The whole number enrolled is 5,729,052, of whom 724,000 are fully equipped. Its annual expense to the State, the departments, the communes, and individuals, is estimated at 70,500,000 francs, or about 14 millions of dollars.\*

Here is an expenditure, *exclusive of the time*, nearly equal to that of the Federal government of the United States, and the sole object is that of maintaining a guard to endeavour to preserve order, and to prevent one part of the people from destroying another part. The vast amount of service claimed by the government under the law of conscription, and the immense amount of taxes required for the support of large armies, produce so general a dislike for authority, that it is necessary to organize the whole nation, at vast expense of money and of time, to endeavour to maintain tranquillity. On a former occasion† we desired to call the reader's attention to the fact, that *the security obtained is always in the inverse ratio of its cost*. In those countries in which a large proportion of the labourer's earnings is taken for the maintenance of government, little security is obtained.

We now give the various items constituting the revenue, that the reader may have an opportunity to judge for himself of the correctness of the views we shall offer him of the effects of the system. We take the average as given in the *Documens Statistiques*, published by order of the Minister of Commerce.

Land tax, - - - -	248,619,326
Direct and personal tax, - -	45,965,614
Doors and windows, - -	20,634,934
Trades and professions, - -	25,807,779
Expenses of notice to the contributaries,	622,656
Carried forward,	341,650,309

\* *Apercu Statistique*, p. 93.

† Page 125, *ante*.

	Brought forward,	341,650,309
Tax on registration of mortgages, &c.,	146,702,739	
Stamp duties, - - -	27,755,007	
Revenue and proceeds of the sale of domains,	3,118,338	
Domains and woods exchanged or mortgaged,	8,2301	
Felling of wood, - - -	4,484,890	
Sale of stores, - - -	2,221,854	
Fines of police, - - -	1,031,297	
Tax on salaries, - - -	228,936	
	<hr/>	186,385,362
Postage, - - - -	25,783,438	
Duty on articles of silver, - -	637,969	
Places in mail coaches, - -	1,737,287	
Places in packets between Calais and Dover,	50,265	
Foreign letters, - - -	549,737	
Extraordinary receipts, - -	43,421	
	<hr/>	28,802,117
Customs, - - - -	92,082,243	
Navigation dues, - - -	2,696,490	
Accessory receipts, - - -	965,409	
Salt monopoly, - - -	53,543,765	
Confiscations and fines, - -	1,623,256	
	<hr/>	150,911,163
Tax on wine, brandy, &c., -	96,095,879	
Various minor dues, - - -	30,658,153	
Recoveries of advances, - -	944,580	
Sale of tobacco and snuff, - -	66,378,356	
Sale of gunpowder, - - -	3,823,745	
Fines, - - - -	817,144	
Lottery, - - - -	10,420,106	
Miscellaneous, - - - -	6,199,384	
	<hr/>	215,337,347
		<hr/>
		*923,086,298

Such is the average for a series of years; but that of the past five years is much greater, having been greatly increased since the revolution of 1830.

Here we find, second, taxes on capital. The land tax amounts

\* The expenses of collection in France are—direct taxes, 11 per cent.; indirect, 18 per cent. The average being about 15 per cent., it follows that 150 millions of francs, or 30 millions of dollars, a sum nearly equal to the whole cost of government, in all its forms, in the United States,† are absorbed by the collectors of the revenue.

† See page 116, ante.

to 248 millions of francs; the tax on doors and windows to above 20 millions. To these must be added the tax on patents, registry of leases, deeds, &c. It is obvious that no one will apply capital to the improvement of land, to the building of houses, or to the opening of shops, &c., unless he can obtain a return that will both pay the tax and give him the usual rate of interest. He deems it better to lend it to the State, to be applied to the carrying on of ruinous wars, than to apply it to agriculture, or to the making of roads and canals, because in the one case he is secure of a fixed income, whereas in the other it is uncertain what he will have remaining after he shall have paid the share claimed by the State. The consequence is, that while the government can borrow money at an interest of four per cent., there is a total want of capital in agriculture and manufactures throughout the kingdom. Production is consequently small; the share of the capitalist is great; that of the labourer is small; and there is universal poverty and distress. No advantage is here experienced by the labourer from the imposition of taxes on capital, because the effect is to deprive him almost altogether of its use, and to cause his labour to be unproductive. Were the expenditure reduced so as to enable the government to dispense with such taxes, capital would be applied to the improvement of land; to the making of canals and rail roads; to the building of houses and of manufactories; to the performance of exchanges;—the *quality* of labour would be improved; production would be increased; the *share* of the labourer would be increased; that of the capitalist would fall, but the amount of commodities at his command would be increased, and he would no longer prefer lending to the government at four per cent., when, by its application to trade or agriculture, he could obtain five or six.

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Third. Taxes on consumption exist to an enormous extent. Not only are duties levied upon all commodities imported from foreign countries, but also upon the removal of others from one place to another, as we have already shown.\* Upon all provisions, fuel, forage, materials for building, &c., a tax, (the *octroi*,) is levied at the entrance of the principal cities and towns.† Of the local revenue of France, amounting to more than 200 millions of

\* See page 85, *ante*.

† One thousand three hundred and forty-nine in number.—*Dupin, Forces Productives. Introduction, p. xi.*

francs,\* the *octroi* alone yields 40 millions.† In Lyons, *each weaver is estimated to pay 50 francs, or nearly 10 dollars.* On a half litre ( $1\frac{1}{8}$  pint,) of wine, per day, he pays  $16\frac{1}{2}$  centimes, making 53.95 francs, per annum.‡ The local revenue of Lyons exceeds 4,000,000 of francs, of which the *octroi* yields 2,400,000, being  $16\frac{1}{2}$  francs, or more than \$ 3, per head, of the whole population, or *equal to \$12 for the labourer's family of four persons.*§ We have already shown that the average income of the labourers of France cannot exceed 100 francs per head, giving 400 francs, (\$75,) for a family of four persons; and it may readily be imagined how severely such a tax must press upon them, requiring, as it does, nearly one sixth of the whole amount of their income to pay it.

Here we find an immense portion of the revenue derived from the daily wages of the labourer, and the result is, as usual, poverty and wretchedness, accompanied by an impatience of control, impairing the security of person and of property. We find in every part of the kingdom a disposition to turbulence and disorder; that mobs and riots are of frequent occurrence; and that there is a constant tendency to revolution. The consequence is that an immense army must be maintained for the preservation of internal peace; and towards the maintenance of that army the capitalist is obliged to contribute a large portion of his rents,||

* Departmental expenses, 10 years, 1823 to 1832, average	48 millions.†
Communal do. " 1833,	147 " **
Chief towns of the departments, 1833,	68 " ††

263 millions.

† The strictly local expenditures of the towns and cities are paid out of the *octroi*, which, in 1825, yielded 49,833,500 francs.—*Dupin. Introduction, p. xi.*

‡ Bowring's Second Report, p. 38.

§ Ibid.

|| The inhabitants of Beaujolais, in their representation to the two Chambers, thus give the net proceeds of 100 hectolitres of wine, the produce of 4 hectares, or 9½ acres of land—

	Francs.
Sold in Paris, at fr. 58 per hectolitre,	5,800
Cost of culture—	
Manure, - - - - -	120
Rent and repairs, - - - - -	80
Cooper, 50 barrels, - - - - -	750
Carriage, at 7 francs, - - - - -	700
Allowance in sale to dealer, - - - - -	580
Direct taxes, (Impôt Foncier, - - - - -	93
Indirect do., at 1.75, - - - - -	175
Octroi and transit, 2500, - - - - -	2500
	<hr/> 4,998

Remaining,

802

† *Documens Statistiques*, p. 73.

\*\* Ibid. p. 83.

†† Ibid. p. 87.

and thus while the labourer is reduced to poverty, the capitalist is compelled to subsist upon a small portion of what his income would otherwise be. The owner of land derives little benefit from it, because the taxes on capital are so great that the capitalist prefers a small income, secured to be paid out of the taxes, to the chance of a large one, burthened with the risk of an increase in the demands upon him. Moderate expenditure would be attended with increased ability to accumulate capital; labour would be rendered more productive; the condition of the labourer would be improved; happiness would be diffused throughout the nation; mobs and riots would cease; the necessity for a large army would be at an end; and the capitalist would experience the advantage in a constant increase of his revenue.

Fourth. Monopolies for the benefit of the government, with a view to raise revenue, abound throughout France. The manufacture of salt, which produces 54 millions, is farmed by a company, and the *Direction des Salines* occupies a conspicuous position in the *Almanach Royale*. The manufacture of tobacco, the sale of which amounts to 66 millions, is a monopoly; the right to transport passengers, and to furnish post horses, is another. There

of which half goes to the landlord, and half to the tenant, giving to the former a rental of about £16, or about fr. 32, an acre for the vineyard land.—*Bowring's Second Report*, p. 103.

Here we find the product,	-	-	-	-	-	5,800
Less manure, repairs, cooperage, and carriage,	-	-	-	-	-	1,650
Net,	-	-	-	-	-	4,150
Thus divided—						
Government,	-	-	-	-	-	2,768
Capitalist, landlord,	-	-	-	-	-	401
“ dealer,	-	-	-	-	-	580
						981
Labourer,	-	-	-	-	-	401
						4,150

So that of the net product less than 10 per cent. goes to the producer, while 24 per cent. goes to the capitalist, and the remaining 66 per cent. is absorbed by the demands of the government.

“La Gloire est le Dieu de la France.”—*M. de Beaumont, tom. I. p. 63.*—To that deity they offer up themselves, and their dearest affections and interests; their country, and its happiness and prosperity. To his worship is devoted a large portion of the products of labour, thus causing the same result as if the amount of production had been lessened. His ministers, the Cæsars, the Alexanders, and the Napoleons, are exalted, while those whose labours are directed to the improvement of the condition of the human race are forgotten.

are licenses to exercise certain trades and professions, and in some cases the number is limited. The object is to throw upon the shoulders of the labouring classes the weight of supporting the government, yet, as in all other cases, the effect upon the capitalist is most seriously disadvantageous. Were the people freed from these monopolies, the power of consumption would be greatly increased, because the cost of production would be greatly diminished, and the consequence would be, that the field for the employment of capital would be enlarged. That which is now lent to the government at four per cent. would be required for the manufacture of salt, tobacco, and other commodities, and the revenue of the capitalist would be greatly augmented.

As it is, a large portion of the apparent production of France is a waste of labour. Were the several manufactures to which we have referred in the hands of individuals, the productiveness of labour would be greatly increased. Under the present system, a small quantity of a commodity, at a high price, contributes its share towards the amount of production, whereas, under a different system, double the quantity would be produced in market, without an increase of money value, and the power of consumption on the part of the labourer would be doubled. One half of the estimated value of production of many commodities might be set down as waste. Such is also the case in regard to the monopolies granted by law to individuals for the supply of various commodities. The importation of iron is burthened with a duty that is nearly prohibitory, and labour is wasted in producing that which might be obtained elsewhere in return for one half of the quantity now expended upon it. The manufacturers themselves have derived no benefit therefrom. They obtain, with difficulty, the ordinary interest upon their capital. From year to year they have looked forward to the time when they would have it in their power to exist without legislative aid, but on the contrary, they have been compelled to demand a constant increase of protection, and their situation is now no better than at first. The capital that might be employed in producing commodities to exchange for iron, is seeking employment, and its owner is forced to apply it directly to the manufacture thereof, and will continue to do so as long as it will yield the ordinary rate of interest. New works are erected, having less and less advantages for its production, and the consumers are taxed for their maintenance. Production is small; the people are poor and turbulent; capital increases slowly; the capitalist fears to invest

it in the making of roads or canals, and thus *the field for its employment is limited by the very measures which produce the necessity for keeping on foot a large army, whose support requires heavy taxes upon capital.* Thus the same measures by which the labourers are forced to pay heavy contributions for the *supposed* benefit of the capitalist, at the expense of their comfort, render it necessary for the latter to do the same to maintain tranquillity, thus diminishing his already small income.

What we have said in relation to the manufacture of iron is equally true in regard to nearly all the products of France. Wheat is forbidden to be *imported* when it is below a given price. This regulation is intended for the benefit of the *producer* of wheat, and the owner of the land, but its effect is to keep the consumers in poverty; to continue insecurity; to render necessary large armies, and heavy impositions upon capital; and to prevent the accumulation of capital, and the making of canals or rail roads, by which his property would be benefited. On the other hand, the producer of silk was forbidden to *export* it, and compelled to exchange it for commodities at home, for the benefit of the silk weaver. In the one case, the workman is taxed for the *supposed* benefit of the producer of wheat; in the other the producer of silk is taxed for the *supposed* benefit of the workman. The import of sugar is burthened with heavy duties, for the *supposed* benefit of the colonies of France, and the colonies are compelled to make their exchanges in France, that the people of the mother country may have an opportunity to repay themselves by taxing them. The high duties on sugar induce an effort to produce it at home, by a process less expensive than that of passing colonial sugars through the custom house, and the colonies demand a tax upon the manufacture. The import of cotton-twist is prohibited, for the benefit of the spinner of France, and the government is compelled to permit it to be smuggled,\* lest the cotton weaver should be ruined. The poor man who is desirous to part with his ragged shirt, to be converted into paper, is forbidden to exchange it out of the kingdom.† The price of paper must be kept down, and he is taxed for the benefit of the consumers of books; but the consequence of such measures is that the mass of the people are unable to read or write; they are kept in ignorance, and are turbulent and disorderly, and those

\* Though it is notorious that large quantities are introduced into the factories of Tarare, orders have been issued to secure the twist against seizures, when it has reached its destination."—*Bowring's First Report*, p. 9.

† See page 84, *ante*.



who do consume books are taxed for the maintenance of armies to keep the peace.

Here we see, as is seen throughout the world, the oppression of the labourer producing turbulence and discontent, leading to riots and murder, and terminating in revolution, which again renders necessary increased expenditure, increased taxation, and increased calls for personal service, in the hope that by a military organization of the whole people, some security for person and property, and some stability of government, may be obtained. These increased demands render it still more difficult to obtain the means of support, at the same time that they increase the number of those who, withdrawn from the "dull pursuits of civil life," find themselves cast loose on society, without trades or professions, and are willing to lend themselves and their swords to any project that holds out the prospect of another division of property.

The capitalist endeavours, by taxes on consumption, to throw the burthen of government upon the labourer, and by obtaining restrictions upon the import of those commodities which he produces, to indemnify himself for what he is compelled to contribute, but the effort is vain. Capital is unproductive. Its owner, in his division with the labourer, retains a large proportion of the product, but the government claims a large portion of his share.

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We have estimated\* the product of France at 7,000 millions, 3,000 of which go to the capitalist. The direct contribution of the capitalists cannot be taken at less than 450 millions, being 15 per cent. of their share, and leaving but about 2500 millions of francs, or 500 millions of dollars, to be divided among all the owners of capital, in a nation of 33 millions. The consequences are what might be expected. The incomes of France are small; so small, that to be wealthy in that country indicates in general an exceedingly small income. We have already seen that but 38,000 families enjoy incomes averaging 16,000 francs, or 3200 dollars, per annum, and that the number of families whose average income exceeds 2400 francs, = \$ 480, is only 115,000.

M. Chevalier says, with great truth, that

"France is a poor country," and that "omitting Paris, and four or five large cities, the men of fortune are so few, that they might be counted. They do not form a class."<sup>†</sup>

While the number of the wealthy is thus small, the number of

\* Page 282, *ante*.

† Tom. II. p. 146.



those who may be considered as in easy circumstances, and able to give to their children a moderate capital to establish themselves in trade, is also very small indeed. The difficulty of placing children advantageously is excessively great. Capital increases slowly, and there is no demand for talent. Government takes from both labourer and capitalist nearly all that is produced over and above that which is required for the support of life, and as a necessary consequence every one looks to it for aid. Public employment is therefore sought for by every father for his son. The élite of France, men who in the United States would be independent of all *patronage*, are found seeking employment as lieutenants, with a hope that after 25 years of service they may obtain situations yielding them 1,200 or 1,600 dollars per annum !\*

Such is the condition in which the capitalists of France find themselves: reduced thereto by *love of glory*.

The share of the labourers we have stated at about 4000 millions, from which must be deducted the remainder of the contributions for the service of the State, being about 750 millions, leaving 3250 millions to be enjoyed by the producers. The distribution is now,

Capital,	-	-	-	-	-	2550 millions.
Labour,	-	-	-	-	-	3250 "
Government,	-	-	-	-	-	1200 "
Total,	-	-	-	-	-	7000 millions.

Giving as the average reward of personal services, per

head of the whole population, -	-	-	-	100 francs.
Return to capital, per head, -	-	-	-	78 "
Government share, per head, -	-	-	-	37 "
Total, -	-	-	-	215 francs.

In the system of ENGLAND we find taxation in the form of

\* "The élite of our youth still contend for the situation of civil or military engineer, and spend eight years in the colleges, to obtain the grade of lieutenant of artillery, or of engineers, or that of aspirant engineer of bridges and roads, or of mines, with a salary of 1500 or 1600 francs, (300 to 320 dollars,) and the prospect of 6000 to 8000 francs, (1200 or 1600 dollars,) after twenty-five years service."—*Chevalier, t. II. p. 158.*

"Scarcely five years have past since with us, in France, the great object of ambition of so great a number, was to become *gentilhomme de la chambre*. Even at the present time, among the great dignitaries of England, figures the *Groom of the Stole*, signifying literally, master of the wardrobe."—*Ibid. t. I. p. 122.*

personal service. Impressment is liable to the same objections as the conscription of France, and to others which do not exist in relation to the latter. Like that, it is resorted to for the purpose of compelling the labourer to give his services to the community at a lower rate of compensation than he could obtain from any member of it, and is therefore a heavy and most unequal tax upon him. Unlike that, it substitutes brute force for the action of the law. The unfortunate man who meets with a press-gang is probably knocked down and carried off, because he is poor and unable to resist, whereas if wealthy, or if able to resist, he may escape. Under the conscription all are equal, and all are liable. The poor and the rich take the same chance. In France, the objection is that the poor and the rich are taxed in the same quantity of labour, whereas in England the poor man is compelled to pay a heavy tax, from which the wealthy are entirely exempt. It is, therefore, more unjust than the conscription. The consequence has been that the character of the seamen of Great Britain has not advanced as it would otherwise have done. Their commercial marine is no longer the first in the world. Their voyages are longer than they would be had the character of the masters and seamen kept pace with that of the seamen of other nations; their ships are less in demand; their freights are lower; and the profits of capital are low. Here, as in all past cases to which we have referred, self-interest and justice point in the same direction. The abolition of the claim to the payment of such a tax, will be an important step towards the improvement of the British marine.

The following account of the public income of the United Kingdom of Great Britain and Ireland, for 1830,\* will enable us to see how far the other modes of taxation are resorted to.

## HEADS OF INCOME.

<i>Customs and Excise.</i>		£	s.	d.	£	s.	d.
Spirits, {	Foreign, -	1,519,572	8	7			
	Rum, -	1,434,782	13	1			
	British, -	4,783,951	2	1			
Malt, -	-	3,814,305	1	5½			
Beer,* -	-	3,055,453	15	11½			
Hops, -	-	242,658	0	10½			
Wine, -	-	1,473,607	11	4			
Sugar and molasses, -	-	5,089,315	0	3			
Tea, -	-	3,321,722	2	6			
Coffee, -	-	498,951	8	1			
Tobacco and snuff, -	-	2,849,706	7	8			
Carried forward,					28,084,025,	11	10½

\* The revenue for 1836, was £47,244,000.

## HEADS OF INCOME.

<i>Customs and Excise.</i>	£	s.	d.	£	s.	d.
Brought forward,				28,084,025	11	10½
Butter, - -	147,839	3	4			
Cheese, - -	87,122	14	4			
Currants and raisins,	388,102	2	6			
Corn, - -	898,793	15	2			
Cotton wool,* and sheep's, im- ported, - -	317,074	10	5			
Silks, - -	205,615	9	0			
Printed goods,* -	552,270	12	4½			
Hides and skins,* -	452,768	15	7			
Paper, - -	684,563	10	11¾			
Soap, - -	1,152,245	11	1½			
Candles and tallow,* -	652,971	16	11½			
Coals, sea-borne,* -	983,919	9	2½			
Glass, - -	670,494	12	9¾			
Bricks, tiles,* and slates,*	398,145	17	8½			
Timber, - -	1,394,407	19	11½			
Auctions, - -	251,562	19	6¾			
Excise licenses, -	845,390	15	3			
Miscellaneous duties of cus- toms and excise, -	1,892,668	2	4	11,975,957	18	6¾
Total of customs and excise,				-	40,059,983	10 5
<i>Stamps.</i>						
Deeds and other instruments,	1,663,145	14	6½			
Probates and legacies,	2,035,719	0	4			
Insurance { Marine,†	226,897	6	6½			
{ Fire, -	764,939	0	11½			
Bills of exchange, bankers' notes, &c., -	593,485	1	1½			
Newspapers and advertise- ments,† - -	433,385	5	10½			
Stage coaches, - -	426,472	1	3¾			
Post horses, - -	252,772	2	8			
Receipts, - -	225,996	2	6			
Other stamp duties, -	663,164	5	9½	7,285,976	1	7½
<i>Assessed and Land Taxes.</i>						
Land taxes, - -	1,200,159	10	11½			
Houses, - -	1,324,327	18	9¾	2,524,487	9	9
Carried forward,				49,870,447	2	9½

## HEADS OF INCOME.

<i>Assessed and Land Taxes.</i>	£	s.	d.	£	s.	d.
Brought forward,				49,870,447	2	9½
Windows, - -	1,163,760	17	8			
Servants, - -	286,552	7	0			
Horses, - -	405,678	1	9			
Carriages, - -	374,677	14	0			
Dogs, - -	183,060	8	4			
Other assessed taxes,	268,175	2	9			
				2,681,904	11	6
Post office, - -	-	-	-	2,184,667	2	4
Crown lands, - -	-	-	-	465,481	4	5½
Other ordinary revenues, and other resources,				622,302	0	0½
Grand total, - -	-	-	-	55,824,802	1	1½

The duties marked \* are now repealed; those marked † are reduced.

Here we find taxes on capital to a very small extent indeed. In 1798, the land tax was made permanent, upon an assessment then more than a century old, and it produces now little more than a million of pounds, notwithstanding the immensely increased value of landed property, which is also exempted\* from the legacy or probate duty. Farm houses are wholly exempted from taxation. The taxes on houses, on probates, and on deeds, are paid by capital, but their amount is small.

The tax on windows is a tax on the consumption of light and air, and it is so arranged, that it falls chiefly on the middle classes of society. A house with 8 windows pays a tax of 2s. each; 16 windows, 4s. 11d. each; 32 windows, 6s. 8d. each; 39 windows, 7s. each. Above that quantity, the scale falls; 100, are 5s. 10½d. each; and after 180, the charge is only 1s. 6d.† The house tax is arranged in a way that is somewhat similar. The palace of the Duke of Northumberland, in London, pays 4s. ½d. per square foot, and the grocer's shop next door, 7s.‡

\* As an evidence that this exemption of landed property from taxation has not arisen out of any desire peculiar to the present generation, it may be mentioned, that in 1731-2, the land tax was reduced to *one shilling in the pound, or five per cent.*, at the expense of taxing two and a half millions from the sinking fund.—*Stewart's Political Economy*, Vol. IV. p. 57.

† Some mansions are said to contain a window for every day in the year, and would be charged at 3s. 3¼d. per window, which is less than half the rate of charge to the middle classes.

*Sworn annual value. Land tax.*

‡ A shop in Regent street, 21 feet by 75, owned and occupied by a tradesman, - - - - - £400      £56 13 4

During the war, the necessities of the government compelled it to impose a tax upon income, but as that affected the revenues of those who control the making of laws it was repealed as soon as the war closed, and, as we have shown, there are now very few taxes which in any manner affect the capitalist, except so far as regards his consumption of commodities subject to taxation. Of the fifty-one millions required for the maintenance of government, it is estimated that not more than six millions fall upon the landlords,\* while almost the whole revenue is raised by taxes on consumption, and levied upon articles used chiefly by the labouring† and middle classes.‡

	Sworn annual value. Land tax.	
Stowe palace, owned by the Duke of Buckingham—a regal mansion, principal front 916 feet; Corinthian columns, pilasters, saloon paved with marble; tower, obelisks, temples, &c., woods and groves, - - -	300	42 10 0
Blenheim, owned by the Duke of Marlborough, 348 feet from wing to wing, park 2,700 acres, - - -	£ 300	£ 42 10 0
Eaton Hall, Marquis of Westminster, - - -	300	42 10 0
Alnwick Castle, Duke of Northumberland, - - -	200	28 6 8
Nottingham Castle, Duke of Newcastle, - - -	100	14 3 4

*Metropolitan, July, 1833.*

Nottingham Castle, being injured some time since by a mob, the Duke received TWENTY THOUSAND pounds sterling for the damage to a property valued at £100 sterling per annum. "Let it be supposed, however, that Nottingham Castle, is worth a quarter of a million sterling, which is probably much nearer its price. His Grace's mansion ought, in this case, to be rated at £16,250 per annum, while his house tax ought to be £2,301 1s. 8d. per annum."—*Westminster Review*.

Here we have the case referred to on a former occasion—page 61 *ante*.—The Duke chose to be insured at £100 annual value, and he should have been paid at that rate. *Every man has a right to undervalue his property, when effecting insurance, but after having paid the premium upon a low valuation, he has no right to claim to be indemnified for his loss at a high one.* He paid for the protection of property worth only £100 per annum.

\* "The makers of laws have contrived to throw the great burthen of taxation, first, by their selection of the taxes imposed, and secondly, by their selection of the taxes repealed, from off their shoulders, upon the industrious classes; so that out of the £50,000,000 of annual revenue not more than six millions fall upon the landlords."—*Parnell, p. 67.*

† "By indisputable calculation, it can be shown that every working man is now taxed to the amount of one third of his weekly wages; supposing the operative to obtain twelve shillings a week, he is taxed, therefore, to the amount of four shillings per week; and at the end of six years, (the supposed duration of a Parliament,) he will consequently have contributed to the revenue, from his poor energies, the almost incredible sum of £62 3s."—*Bulwer. England and the English, Vol. I. p. 187.*

‡ The Metropolitan for July, 1833, gives the following "amount of taxes paid by a citizen of London, having, we will suppose, an income of £200 a year, out of which he is necessitated to support himself, his wife, three children, and a servant maid!" showing that out of that sum, above £80 are paid to government.

The exemption from taxation of the commodities used by the wealthy is the objectionable part of the British system. Nothing can be less just than a tax on leather assessed on its weight, when the shoes of a ploughman, whose wages are 2s. per day, would outweigh a dozen pairs worn by a lady with an income of £10,000 per annum; or a tax of 100 per cent. upon tea, coffee, or sugar, or 1200 per cent. upon tobacco, and one of 10 or 15 per cent. upon the finest silks or gloves; yet so long as revenue is to be derived from duties on consumption such must be the case, because were the duties higher the finer commodities would be smuggled, and thus the labouring classes must continue to pay nearly the whole expenses of government.

Objectionable as is this system, *it is still less so than would be a tax on capital.* Were the revenue for the support of the government of Great Britain derived chiefly from such a tax, the effect would be to drive capital abroad, as we shall presently have occasion to show is done by the taxes of that description which now

Articles Taxed and Used.	Rate of Taxation demanded.	Amount of Taxes levied by Government.
Tea— $\frac{1}{2}$ lb. a week, at from 5s. to 6s. per lb., -	100l. per cent.	£. s. d. 3 5 0
Sugar—6 lbs. a week, - - - - -	2 $\frac{1}{2}$ d. per lb.	2 14 2
Coffee—1 lb. per week, - - - - -	6d. per lb.	1 6 0
Porter and ale—2 pots per diem (malt and hop tax.)	2d. per pot.	3 0 10
Spirits—1 pint per week (lowest average taxation on Foreign and British,) - - - - -	10s. per gal.	3 10 0
Wine—1 quart per week, on a yearly average, -	5s. 6d. per gal.	3 11 6
Soap—3 lbs. per week, - - - - -	3d. per lb.	1 19 0
Pepper—5 lbs. a year at least, - - - - -	1s. per lb.	5 0
Other spices—viz. ginger, cinnamon, cloves, &c., at least, - - - - -	3d. per lb.	6 6
Paper—for the family, or boys at school, 1 lb. weekly,	3 $\frac{1}{2}$ d. per lb.	13 0
Starch—12 lbs. yearly, - - - - -	$\frac{1}{4}$ th of sta.	3 6
Newspaper to read only—daily 1d., - - - - -	5d. per lb.	1 10 5
Currants dried—25 lbs. a year, - - - - -	various rates.	10 5
Raisins, oranges, lemons, prunes, nuts, &c.,		10 0
Occasional use of an omnibus, cab, hackney, or stage-coach, - - - - -	ditto.	1 5 0
Sundries—such as taxes on medicines, books, glass, silver-spoons, small items, and luxuries, &c., -	ditto.	2 10 0
House, window, and land tax, - - - - -	ditto.	10 10 0
Poor, church, highway, water, gas, police, &c.,	ditto.	10 0 0
Taxes on house materials which are included in the rent—viz. on bricks, timber, glass, &c., -	ditto.	12 0 0
Taxes paid to butcher, baker, tailor, milliner, shoemaker, hatter, and all persons employed, who being themselves taxed on the preceding articles, proportionably enhance their demand for goods rendered or services done, - - - - -	at least.	21 0 0
Total taxes paid by a person with 200l. per annum,		80 10 4

exist, and the labourer would earn still less than he now does. His only remedy is *a reduction of the amount of taxation*, because *it is impossible to devise any mode in which such a sum as is now required for the payment of the expenses of government could be raised, that would not throw nearly its whole weight upon him*. Moderate taxes may be assessed on labour and capital so as to divide the burthen equally, but *immoderate taxes must always be paid by the labourer*, because the government is very properly restrained from taxing capital by the fear that it should take to itself wings and fly away; whereas, every new tax on the labourer tends to take from him the power of removal. Those who have moderate property transfer themselves with it to another country where they can be exempt from such claims, and every such removal tends to increase the burthen upon those who remain.

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We come now to the consideration of taxes imposed for the maintenance of the church, assessed upon the gross product of labour and capital, and similar in all respects, except the proportion claimed, to the taxes of India, which increase in amount with every new application of capital, or increase in the exertions of the labourer. This is, of all descriptions of tax, the one that is most injurious to both capitalist and labourer. The former will not make an investment subject to such a claim, so long as any opportunity exists for investing elsewhere; and the latter, while thus deprived of the use of capital, feels that every increase of exertion is attended with an increase of taxation.

The result is the same as in India. There, capital is invested in the districts in which the permanent settlement guarantees its owner from all claims; and in Great Britain it is invested in that portion of the island, (Scotland,) which is freed from this injurious system. The consequence, in both Bengal and Scotland, is a rapid increase of agricultural production, and the owner of the capital is enabled to claim a larger proportion of the product than he would do were all other lands freed from this claim. In the one he occupies the place of the great tax gatherer; in the other that of the church, and collects for himself the same that they collect on other lands.\*

The tithe exceeds three millions of pounds, but the amount is by no means the most serious grievance. To the labourer the system is pernicious, because it compels capital to seek employment

\* When a machine is above the *average* quality the owner is enabled to claim a large *proportion* of the product.—See Vol. I. p. 89.

elsewhere, and forces him to emigrate with it, to seek that support elsewhere which is denied him at home. To the receiver of the tax it is equally pernicious. It prevents the enlargement of the field for the application of labour and of capital. The number of persons seeking to obtain subsistence in the learned professions is consequently great, and the chance of obtaining a curacy or a parish that will yield a support for themselves and families is small. When they have done so, they see growing up around them families of sons and daughters whom they are compelled to maintain in consequence of the difficulty of obtaining employment. The former becomes curates, or clerks, and the latter governesses, or, perhaps, ladies' maids, compelled, in both cases, to wear out their lives in subordinate situations; whereas, were there no impediment to the employment of capital the field for the employment of labour would increase with rapidity; the sons would find a demand for their time and talents in trade, or in manufactures, and the daughters would find husbands and employment for their time in the instruction of their own children. Here both justice and self-interest unite in demanding a *permanent settlement*, similar to that which has taken place in Bengal, and which bids fair to produce a change as rapid as has taken place in any country. The nature of this settlement is a matter of much importance.

Tithes are deemed to be property, and it is denied that any law can be passed to alienate that of an individual, or body of individuals. We believe that justice may be done to the people without the slightest infringement of the rights of the church. Land owes all its value to the labour that has been bestowed upon its improvement, and to that extent is to be considered as capital. In granting the right to collect tithes, was granted a right to collect a tax upon *the capital expended upon the land*, and we should view it precisely as we would do had a similar grant been made in relation to that which was invested in ships, or wagons. If a law now existed under which was levied a tax of one tenth upon the product of all ships, although it might be admitted that the church, or the individual, had a *right* to claim it upon all the capital that *had been invested* under that law, no one would claim that *future investments in ships and wagons*, for all time to come, should be subject to that claim. The right was granted, and having been granted it cannot, perhaps, be resumed in relation to capital already invested, but it may be stopped in its application to future investments, and it is only in relation to them that the question has much interest. Were the claim for tithes now commuted for a fixed rent, not liable to any increase,



the owner of capital would apply it to the improvement of agriculture, in England, as freely as he now does in Scotland, or as he does to the construction of ships or rail roads—the field for the employment of labour would increase with rapidity—production would be increased—the quantity of produce to be transported would increase rapidly—rail roads would be constructed in all directions—landed property would become more productive—the demand for capital would increase its value—its owner would receive *a larger proportion* of its product than he now does—and the labourer, while receiving *a diminished proportion of the increased produce*, would be enabled rapidly to improve his condition. The clergy would no longer be compelled to appropriate large amounts of capital to the education of their sons and daughters to fit them for the reception of wages in subordinate employments. Labour and capital being both in demand, they would be enabled, with the aid of moderate capital, to place themselves in situations in which they could obtain support, independent of patronage. If, instead of thus adjusting its claims, the church should continue to claim a tenth part of the produce of all capital that may in future be applied to the improvement of cultivation, and keep the labourer in poverty by depriving him of the aids to labour that would otherwise be afforded to him, its ministers have to dread that the whole may be swept away, and that they may experience the fate of the landlords of France, who would yield nothing, and therefore lost everything.\*

Under such an adjustment, each owner of land would grant, in effect, *a certain interest in his present capital, for the purpose of securing his future accumulations from all claim*. To the people at large it would be a matter of indifference whether they paid the whole rent to the landlord, or a part to the landlord and another part to the clergyman, as the mode of distributing it could have no influence upon their operations, or their income. It would be desirable to them that they should obtain a valuable consideration from the clergyman, *i. e.* that he should perform the duties for which he was paid. If the people of a parish were

\* The present tithe composition, by which the sum is fixed for a short term of years, resembles the temporary settlement of taxes in parts of Bengal, and although productive of some little advantage, it is trifling when compared with that which would result from a permanent settlement. So long as the amount is permitted to fluctuate with the product, whether the periods be one or five years, the church becomes owner of one tenth of all capital applied to land. If the term be five years, the owner of the capital has only that period to indemnify himself, if he can, against that claim.

not satisfied with those who were appointed by the parties who had the right of presentation, they could obtain the right of presentation for themselves, at 10, 12, or 15 years' purchase of the income, and then select their own pastor. Here would be the voluntary system established, without the slightest interference with the rights of property. If the government desired to aid in the extension of the system, it could do so by offering, where it has the right of presentation, to sell that right to the people of the respective parishes. In this way a very considerable sum would be obtained, tending at once to lessen the weight of taxation—to free the church from disgraceful squabbles, now of so frequent occurrence—to give to every congregation the opportunity of selecting its own pastor—and to make every man feel that he paid for his religious instruction, and consequently to put a value upon it. Landed property being held subject to the payment of a fixed ground rent, the owner thereof would desire to relieve it from such an incumbrance, and by degrees the ground-rents would be bought off, and the proceeds invested in other property for the benefit of the church, and those who worshipped at it, would, in return for their contributions, have the pleasure of knowing that they were free from the jealousy and dislike of the old system.

The effect of the system upon the capitalists now requires to be considered. Some of them have their capital in the form of land upon which certain improvements have been made, while others would be willing to appropriate their means to its further improvement. They *will* not do this unless they have the usual profits of capital, nor *can* they do it without paying the usual rate of wages to the labourers whom they must employ. The surplus product, after paying themselves and the labourers, they will be willing to allow the owner of the land. Another party, however, is interposed between them, who claims one tenth of the product, and the landlord can have nothing until he is paid. If a given quantity of capital applied to a given piece of land would produce 1000 bushels, 500 of which were required for wages, and 250 for profits, the remaining 250 are the share of *the owners* of the land, to wit: the church and the landlord. The former takes 100, and the latter 150.

It may be said that the land-owner here is the only sufferer. Such is the case in regard to capital already accumulated in the form of improvements upon land—but not so in relation to further investments. No man will put an additional horse or plough upon a piece of land, unless nine tenths of the product will yield

the usual wages and profits. The owner of land himself will make no improvement upon it, unless prepared to be content with nine tenths of the proceeds. The application of capital to agriculture is prevented—the demand for labour is diminished—improvement in its *quality* is retarded—and the labourer obtains a diminished quantity of the necessaries of life. We trust we have satisfied the reader that landed capital is subject to the same laws as all other descriptions of capital. If so, we would ask him to reflect what would be the effect of the passage of a law giving to a certain class of people one tenth of the product of all cotton mills, or one tenth of the rents of all houses. We think he will agree with us, that it would prevent investments in cotton machinery until wages should have fallen to such a rate as would enable the capitalist to obtain from nine tenths of the product the usual reward for his capital; and the building of houses would be suspended, until rents should rise to that point which would enable the owner to obtain from nine tenths the usual rate of profit.

During the time that elapsed while waiting for the time of investment, capital would lie idle, and the demand for labour would be *diminished*. *The capitalist, seeking the means of employing his capital, would be willing to take a diminished share, leaving to the labourer a larger share, but both would have a diminished quantity of the necessaries or comforts of life.* Having attained that point, *if all investments throughout the world were subject to the same restriction*, matters would go forward under a permanent and universal diminution of wages and profits; but if capital applied to *manufactures* in Great Britain were free from this tax, and that applied to *agriculture* in Prussia were free, it would be totally impossible for the capitalist of Great Britain to apply his capital advantageously to agriculture. The demand for labour in manufactures would tend to keep up the rate of wages, and he would have only nine tenths of the product of labour applied to cultivation with which to pay those wages, which would probably leave him no reward for his own time, or the employment of his capital. So, if land in Devonshire were subject to a demand of one tenth, and that in Cumberland were free from it, the former, unless possessing great advantages from the proximity of market, &c., must go out of cultivation, *unless its proprietors should devise a mode of preventing the land of Cumberland from interfering with it in market.* If, at the same time, capital applied to *manufactures* in Cumberland, were subject to a tax of ten per cent., and that in Devonshire were free from it, no one could attempt

to manufacture in the former. The freedom from taxation of capital applied to land in Cumberland would hold out strong inducements to engage in agriculture, but the existence of the tax on manufacturing capital would *compel* him thereto, because he could not possibly compete in manufactures with his Devonshire rival, who retained his whole product for himself and his workmen. The capitalist of the latter, who applied himself *directly* to the cultivation of wheat, would receive but nine tenths of the product, while he who applied himself *indirectly* to its production by manufacturing cottons, and obtaining wheat from Cumberland, in exchange therefor, could have the enjoyment of the whole proceeds, unless means were devised to prevent him from exchanging his property with those who would give him the largest amount of it in return.

During the war, when France, and Germany, and Spain, and Italy were overrun by armies of invaders, and production thereby diminished, England enjoyed the great advantage of security, and capital was freely applied to the production of corn. At the close of the war security was restored to the continent, and the people, laying by their muskets, resumed the plough and began to produce wheat. The capitalist of England could readily have continued to extend his cultivation, but that he received only nine tenths of the product, while his neighbour, the manufacturer, was permitted to retain the whole, and the demand for labour in manufactures established a high rate of wages. The former could not, under these circumstances, compete with the foreign producer, and the consequence was that he was obliged to call prohibition to his aid, and competition was forbidden; notwithstanding which, the rental of England has fallen since 1815.

Restraints upon the import of corn, are the natural result of the imposition of taxes upon the capital engaged in its production. Were tithe transferred from land to cotton mills it would soon be found necessary to forbid the import of cotton cloths, or the manufacture would cease. It is true the old machinery would still be used, but there would be no disposition to apply capital to its improvement or extension. Under the present system, capital in England is driven to manufactures, and in Scotland to agriculture. The imposition, in the former, of tithe on cotton manufactures, would at once drive the manufactures of Great Britain beyond the border, and the Clyde and its vicinity would take the place now occupied by the Mersey.

Restrictions on the investment of capital in agriculture, tend to

prevent the increase of production, and to diminish the inducements for making rail roads and canals, by which additional value would be given to all the lands of England, in consequence of the diminished expense of producing at market the corn and other commodities raised upon them. The want of those facilities, by which the cost of production is diminished, increases the necessity for prohibiting the trade in corn. Restrictions on exchanges with foreign nations diminish the inducements for trade, and prevent the extension of the commerce of London and Liverpool, and of the manufactures of Manchester and Birmingham. This prohibition of trade prevents the investment of capital, and lots in and near the cities remain unoccupied, instead of being built upon, as they would otherwise be. Capital is sent abroad to seek investment instead of being applied to the increase of production at home; population is thereby rendered superabundant; the poor houses are filled, and the land owner finds a new deduction from his income. Were tithe at once converted into a fixed money rent there would no longer exist any reason to prevent the application of capital to the improvement of cultivation in England; production would be increased; the landlord's share would rise; the necessity for corn laws would cease to exist; manufactures would be rapidly increased; the improvement of communications would be great; the towns would increase with great rapidity; the *proportion* required for transportation would be steadily diminishing, attended by an increase in the *quantity* of both labourer and capitalist; the poor-houses would be vacated; the word *poor* would cease to be used to indicate the *people*; and the condition of all classes would improve with a rapidity heretofore unknown.

While the labourer would benefit in a high degree by the change, the landholder and capitalist would both experience immense advantage from it. Relieved from an oppressive taxation for the maintenance of the church and the poor, and relieved by the same measure from the necessity for depending on the will of parliament for the maintenance of their revenues, they would feel a degree of independence that they have never known; they would experience an increase of income, accompanied by a diminution of the claims upon it; they would enjoy that increase of income, unalloyed by the idea that they owed it to a system which tended to increase the cost of food to the labouring population; they would find increased facility of accumulating the means of providing for the various members of their families, at the same time that the increased and increasing trade

of the country was producing an increased and increasing demand for talent and ability in every capacity, enabling their sons to find profitable employment for their time, without investing fortunes in the purchase of the good-will of some existing establishment; those sons would find themselves enabled to provide for the maintenance of a family—to contract matrimony, and thereby escape from the injury to morals that usually accompanies late marriages—and to relieve their parents from the care and anxiety now attendant upon providing establishments for their daughters.

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The effect of other taxes, tending to restrain the free application of labour and capital, is precisely similar. That on timber, imposed for the *supposed* benefit of the colonies, increases the cost of building both houses and ships, to the injury of both labourer and capitalist. To indemnify the ship-owner, the shipping of foreign nations is forbidden to enter into free competition with that of Great Britain. The capital employed is, notwithstanding, unproductive; the owner takes a small proportion, and the labourer has a large one, yet the wages of the latter are small. The monopoly granted to one species of capitalists by the restriction to the Bank of England of the right of transacting business on the system of limited liability, has an effect precisely similar to that produced upon the colonists by the timber duties. The owners of that stock obtain eight per cent. upon the capital originally invested. They have a large proportion, resulting from the existence of a monopoly which aids greatly in preventing increase of production—increase in the return to all other capital possessed by the proprietors of bank stock—and increase in the value of their own services. In like manner we find the owners of many canals in England, claiming as toll, a *large proportion* of the value of the property carried on them. On some of them, coal pays 1½*d.* per ton per mile, while in the United States the charge does not exceed a half penny. The gradual abolition of all restrictions on trade, would increase production in every department, giving to the capitalist an increased proportion, and to both capitalist and labourer an increased quantity.

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We have estimated the total product of England, at two hundred and sixty millions of pounds sterling, of which we supposed one fourth or sixty-five millions to go to the capitalist, leaving one hundred and ninety-five millions for the reward of personal services. Of the former, it is probable that ten millions are taken for the support of government, including therein the local expen-

ditures and the church. Of the latter, fifty millions may be applied to the same purposes.

The distribution will be now as follows :

Capital,	-	-	-	-	55 millions.
Personal service,	-	-	-	-	145 "
Government and church,	-	-	-	-	60 "
					<hr/> 260 millions.
Giving as the average reward of personal service, per					
head, of the whole population,	-	-	-	-	£ 9 10s.
Return to capital, per head,	-	-	-	-	3 12
Government, -	-	-	-	-	3 18
					<hr/> Total, £ 17 00 <hr/>

In the UNITED STATES, we find all the modes of taxation to which we have referred; but owing to the fact of the moderate expenditure of the government, none of them are productive of injury to the extent that we have found in England and France.

Taxation by personal service is found in requiring all persons of certain ages to perform militia duty, by which the poor labourer and the wealthy capitalist are made to contribute equally, which is highly unjust. The total value of the labour thus contributed, is estimated at \$ 1,625,000.\*

We find next, taxes on capital for the maintenance of the local governments, corporations, &c. The amount thus paid is estimated at \$1 10 per head.† Its moderation prevents it from causing any very material injury. The contributions for the support of the Federal government, are obtained by taxes on the foreign merchandise consumed. The average amount required for the purpose, is \$1 09 per head.‡

Both capital and labour are thus required to contribute to the maintenance of government, and it is probable that it would be difficult to devise a system that would more equally divide the weight, were it not that the taxes on consumption, being assessed on the import of foreign merchandise, tend to interfere greatly with the exchanges of property, and thus to interfere with the right which every man should enjoy of exchanging the product of his labour with those who would give him the most for it. The system has been carried to a most injurious extent, but the nation is now retracing its steps, and a few years will

\* See page 116, *ante*.

† Ibid.

‡ Ibid.

see the duties on imports reduced very materially. It cannot be doubted that the same feeling of the disadvantage of the system will gradually do away with restrictions on the shipping that may be employed in the transport of merchandise, and all other interferences with the rights of property.\*

Our estimate of the total product of labour in the

United States, was	-	-	-	1500 millions.
Of which we assigned to personal services,	-	-	-	1106 "
to capital,	-	-	-	394 "

The total expenses of government may be taken at \$2 19 per head,† making the whole \$34,000,000, of which about one half is paid by capital, and the remainder out of the reward of personal services.

The division would now stand thus:

Capital,	-	-	-	-	377 millions.
Personal services,	-	-	-	-	1089 "
Government, -	-	-	-	-	34 "
					1500 millions.

We will now give in centesimal parts a comparative view of the distribution.

	United States.	England.	France.	India.
Labour,	72.75	56	47	45
Capital,	25.00	21	36	} 55
Government,	2.25	23	17	
	100.00	100	100	100

On a former occasion we stated that security existed in the several nations in the following ratio: the United States, 100; England, 85; France, 40; India, 10. If we take the ratio of security to be that of production, we shall obtain the following result:

	United States.	England.	France.	India.
Labour,	72.75	47.60	18.80	4.50
Capital,	25.00	17.85‡	14.40	} 5.50
Government,	2.25	19.55	6.80	
Production,	100.00	85.00	40.00	10.00

\* Since the above was written the State of New York has abolished the restrictions on sales at auction, and nearly all those that existed in relation to banking.

† See page 116, *ante*.

‡ Plus the dividends on government stocks and on capital invested abroad.



The average *net* return for personal services, *after paying all claims of government*, would be in the United States, 72 cents, or 3s. sterling; in England, 2s. sterling; in France, a franc, or 9d. sterling; and in India, 2½d., or one tenth of a rupee.\*

We have found in India a high degree of insecurity, accompanied by a system of taxation which throws the whole burthen of the support of the government upon labour. The labourer has a small proportion of his product, while the capitalist takes a large one, yet both are in a state of poverty, with the exception of a few large landholders, whose property would become more productive under a different system. They would have a smaller proportion, but a larger quantity.

In France, we have found a state of affairs very similar, accompanied by the same results. The labourer is compelled to live upon the worst food, and the owner of one, two, or three hundred thousand francs is deemed a man of wealth. Were the expenditure of the government reduced, and were the people more secure in the enjoyment and application of their labour and capital, production would increase; the labourer would have a larger *proportion*, while that of the capitalist would be diminished; capital would be accumulated with facility; the labourer would live in a state of ease; and fortunes of a million would be more numerous than are now those of one hundred thousand francs.

In England, we find a greater degree of security, and capital accumulates with rapidity. The rights of property are invaded by regulations as to its employment, and the owner is compelled to take a small proportion of its product. Labour is not assisted by capital to the extent that it would otherwise be, and it is comparatively unproductive. Were the expenditure of government reduced, and were the contributions collected in such manner as would least interfere with the free employment of both labour and capital, labour would become more productive, and the owner of capital would have a larger share of that increased product. The situation of both labourer and capitalist would be improved.

In the United States, we find greater security of person and property than exists in the other countries. The capitalist takes a *larger share* of the product than in England, because he is less restrained as to the employment of his capital, but he takes a

\* It will be obvious to the reader that we do not offer this as being strictly accurate, although we believe it to be nearly so. Our object is only to show the intimate connexion of security with production, and the great change of distribution that is produced by an increase of production.

*smaller share* than in France, because accumulation is more rapid. Labour is more productive than in either, and the labourer, while granting him a larger *proportion* than is obtained by the capitalist in England, retains a larger *quantity* for himself. Universal ease prevails. All classes expend freely the produce of their labour or capital, while the accumulation of capital proceeds with a rapidity unknown in other parts of the world.

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The following remarks of Mr. Senior, on the subject of the high rate of wages in England, as compared with the nations of the continent of Europe, apply with still greater force to the United States. In corroboration of them, is the fact, that the only competition feared by the United States or England is that of those nations in which the rate of wages is highest—not that of Hindostan, Italy, or Poland—but that of each other.

“The last remark which occurs to me as connected with the present subject, is one which I somewhat anticipated in my first course; namely, *the absurdity of the opinion, that the generally high rate of wages in England unfits us for competition with foreign producers. It is obvious that our power of competing with foreigners depends on the efficiency of our labour, and it has appeared that a high rate of wages is a necessary consequence of that efficiency.* It is true, indeed, that if we choose to misemploy a portion of our labourers, we must pay them, not according to the value of what they do produce, but according to the value of what they might produce, if their labour were properly directed. If I call in a surgeon, to cut my hair, I must pay him as a surgeon. So if I employ in throwing silk, a man who could earn three ounces of silver a week by spinning cotton, I must pay him three ounces of silver a week, though he cannot throw more silk than could be thrown in the same time by an Italian, whose wages are only an ounce and a half. And it is true, also, that I can be supported in such a waste by nothing but an artificial monopoly, or, in other words, that I shall be under-sold by the Italian in every market from which I can not exclude him by violence. But do these circumstances justify me in resorting to that violence? Do they justify me in imploring the legislature to direct that violence against my fellow subjects? If that violence is relaxed, but not discontinued, have I, or has the consumer, the more right to complain? If my estate were water-meadow, I should lose if I were to endeavour to convert it into corn-fields. But surely that is no subject of complaint; surely it is no reason for prohibiting my neighbours from purchasing corn in any adjoining parish. *To complain of our high wages, is to complain that our labour is productive—to complain that our work-people are diligent and skilful.* To act on such complaints is as wise as to enact that all

men should labour with only one hand, or stand idle four days in every week."

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We trust the reader is now satisfied,

I. That increase of production results from increase of capital and perfect security in its enjoyment and in its application.

II. That increase of production is attended by *diminution* in the *proportion* which falls to the share of the capitalist.

III. That the diminution of the capitalist's *share* is attended by an increase in the *quantity* of commodities obtainable in return for the use of a given amount of capital.

IV. That increase of production is attended by an *increase* in the labourer's *proportion*, giving him a material increase of quantity.

If so, it will be obvious to him, that every measure tending to diminish the productiveness of labour should be avoided, if he desire to promote his own interest. If he be a capitalist, he should not desire to promote the expenditure of government, even although the contributions therefor be not *directly* paid by himself, nor should he devise restraints upon the free exchange of property, or upon the free application of labour, because every such restraint tends to diminish the productiveness of labour, and to diminish the *quantity* of commodities that are at his command.

If he be a labourer, he ought most especially to avoid any and every measure of the kind. Security is indispensable to the productive application of labour, and he should therefore avoid mobs, riots, and revolutions. Steady application tends to render labour productive, and he should therefore avoid trades' unions and turn-outs, certain that every measure that tends to diminish the quantity of commodities produced, must also tend to reduce his proportion of that diminished quantity. He should be opposed to all wars, knowing that the larger the number of persons employed in carrying muskets, the smaller must be the number employed in producing hats, shoes, and coats, and that the smaller the number of those commodities produced, the smaller must be his proportion of them. He should oppose any and every measure tending in the most remote degree to increase the government expenditure, certain that every increase therein must tend to prevent the growth of capital, and retard improvement in the quality of labour—to prevent the increase of production, and the increase of his *proportion* of that increased product.

Both capitalist and labourer, upon a careful examination of the measures likely to promote their interest, would discover that

the interests of both were in perfect accordance, and that the one could not be benefited by any measure tending to the injury of the other; that both would be benefited by having security rendered as perfect as possible, and both would see that the most effectual mode of increasing security of their own persons and property, was to respect those of others, thereby diminishing the necessity for maintaining large armies and navies.

*The wages of labour and the profits of capital are high, where security is accompanied by freedom, and where the certainty of enjoying the fruits of labour prompts to exertion. In proportion as security is diminished—as action is restrained—as the product of labour is absorbed by the unproductive expenditure of the government, is the reduction of the power of production, and consequently of wages and profits.*

*Where security exists there is, with the increase of population and the extension of cultivation over inferior soils, a constant increase in the return to labour, and a constant improvement of condition, as in England and the United States; where it does not exist, increase of population is attended by diminution in the power of cultivating the inferior soils—diminution of production—and deterioration of condition, as has been the case in India.\**

\* In the late work of Professor Tucker, to which we have before referred, the payment of rent is attributed to the necessity for having recourse, in the progress of population, to soils of constantly decreasing fertility; and as evidence that such is the case, he adduces the fact that as population becomes more dense, *the owner of land receives a larger proportion of the product.*† In this he agrees with another recent writer, who says that “the owners of land come to obtain *a constantly increasing portion of the produce.*”‡ In opposition to this it is admitted by Mr. Malthus,§ that with the extension of cultivation the proportion which is taken as rent is diminished, and he assigns as a reason that *the labourer requires a large proportion to supply his physical wants.*|| Col. Torrens,¶ Mr. M'Culloch,\*\* and other writers, find in this *reduction of the proportion taken as rent*, evidence of their theory, that as cultivation is extended over inferior soils, there is a constantly decreasing return to labour. It is obvious that there must be some mistake among these parties, or they could never draw the same inferences from directly opposite facts. If decrease of proportion be evidence of decreased returns, increased proportion cannot be brought forward as evidence of the same fact. The exceeding complication of this theory, by which its supporters are perpetually brought in opposition to each other, as we have shown above to be the case in the present instance, is abundant evidence of its incorrectness. *The laws of nature are always simple.*

† Tucker on Wages, Profits, and Rents, p. 173.

‡ Wakefield. Notes to Wealth of Nations, Chap. VIII. Book I. p. 228.

§ See Vol. I. p. 37, *ante*.

¶ Ibid. p. 220.

|| Ibid. p. 182.

\*\* Ibid. p. 228.

## CHAPTER XII.

DISTRIBUTION OF PUBLIC REVENUE.  
INDIA.—FRANCE.—ENGLAND.—UNITED STATES.

WE have stated that with the increased density of population, a higher degree of security, both of person and property, was to be obtained at the cost of a constantly diminishing *proportion* of the product of labour. It has, however, been shown that although such is the case in comparing the different parts of the United States, one with another, yet when we compare that country with England, France, or India, all of which have a more dense population than the United States, we find *that security is less complete, while the proportion of product required is greater, and that the increase of proportion is in the same ratio as the diminution of security; i. e. that where security is least, there is the proportion required by the government greatest.*

We propose now to inquire into the distribution of the revenues of those nations, with a view to ascertain how far they are applied to purposes tending to improve the condition of the people, and how far to the gratification of the passions, or of the vanity, of those who are charged with the disbursement of them; how far they are used for the promotion of security, and how far the mode of application tends to the continuance of insecurity.

In INDIA, at all times, the main object of raising revenue has been to carry on war for the extension of dominion, in order to have an opportunity of plundering on a larger scale. Almost the sole remaining records of the existence of the monarchs of that country is to be found in their immense tombs,\* and in the ruins

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\* "The most conspicuous object within the fort, is the tomb of Sultan Mahomed, the last independent sovereign of the Adil Shahy dynasty. This stately building is 150 yards high, with a plain cornice on the edge. Opposite the eastern and western faces of the building, on this platform, are large fountains, and from the west side of it projects another terrace, to the distance of thirty yards, at the end of which is situated the mosque. \* \* The whole is situated within an enclosure of upwards of three hundred yards square, with an arcade in front."—*Capt. G. Sydenham, in the Asiatic Researches, Vol. XIII.*

"Humaioon's tomb is a noble building of granite, inlaid with marble, in a very chaste and simple style of Gothic architecture. It is surrounded by a large garden, with terraces and fountains, all now gone to decay, except one of the latter.

of cities,\* erected for the gratification of their vanity, or destroyed to gratify their desire of plunder.

Under the present government, the governors and

members of Council divide among themselves,†	£ 153,265
The members of the Revenue Boards,	- 131,532
The Secretaries,	- 155,185
The Diplomatic agents,	- 249,161
The military expenses are,	- 9,326,811‡

Here are twelve hundred thousand dollars appropriated for the diplomacy of a country, the labourers of which are compelled to limit their expenditure for clothing, for a family of four persons, to six shillings, (\$1 44,) per annum, and nearly fifty millions of dollars for the maintenance of the army of a government which claims from a large portion of its subjects one half of the gross product of labour and capital, and yet can scarcely afford the smallest aid to the construction of roads or canals.

\* \* The garden itself is surrounded by an embattled wall, with towers, four gateways, and a cloister within, all the way round."—Heber.

The tomb of Akbar "stands in a square area of about forty English acres, enclosed by an embattled wall, with octagonal towers at the angles, surmounted with open pavilions. This enclosure has four very noble gateways, of red granite, the principal of which is inlaid with white marble, and has four high marble minarets. The space within is planted with trees, and divided into green alleys, leading to the central building, which is a sort of solid pyramid, surrounded externally with cloisters, galleries, and domes, diminishing gradually on ascending, till it ends in a square platform of white marble, surrounded by the most elaborate lattice work, of the same material, in the centre of which is also a small altar-tomb, carved with a delicacy and beauty which do full justice to the material, and to the graceful forms of Arabic characters, which form its chief ornament."—Heber.

\* "It would not be easy for the writer to describe the charm that is thrown around the ruins of Bejapore;"—*styled by Sir James Mackintosh, the 'Palmyra of the Deccan'*—"or to find words to express the interest that the history of its short-lived splendour excites in the mind, while contemplating its present condition. It seems as if it were the capitol of a nation that was born in a day; commencing in that magnificence and extensiveness, in which it is usual for other places only to terminate, and attaining the highest degree of architectural grandeur in the very earliest stage of its existence. The third, or at farthest, the fourth generation of those who laid its foundations, saw its power overthrown; its princes slain, or made captives; its people scattered; and its walls and palaces, its mosques and sepulchres left to the hand of time, to work upon them its slow but certain operation of ruin and destruction. The history of India might almost be traced in the remains of ruined cities, that cover the surface of the land."

The Emperor Shah Jehan, in the 17th century, built the city of Shahjehanabad, immediately adjoining the city of Delhi, and caused the inhabitants of the latter to remove to the former. The ruins of the old city cover the plain for an extent of nearly eight miles to the south of the modern city, and exhibit one of the most striking scenes of desolation to be met with throughout the world.

† "The salary of Lord Amherst, was £40,000 = \$192,000."—*Wakefield's Public Expenditure*, p. 177.

‡ Martin's Colonies, Vol. I. p. 130.

The new charter authorizes the king to erect the arch deaconries of Madras and Bombay into bishoprics, (subordinate to the Metropolitan of Bengal,) with salaries of 24,000 rupees annually, exclusive of £500 each for outfits, and independent of the expenses incurred in visitations.\* Here are salaries exceeding \$12,000 per annum, for bishops of a Christian church, in a country in which the mass of the people can obtain no education whatever.

In examining the expenditure of FRANCE, we find results very similar. In 1832, it was divided among the several ministers as follows:

	Millions.
War, - - - - -	339
Marine, - - - - -	64
Finance, - - - - -	570
Interior, - - - - -	125
Foreign affairs, - - - - -	7
Public instruction, - - - - -	4
Commerce, - - - - -	12
Justice, - - - - -	19
Religion, - - - - -	34
	<hr/> 1174†

Here we find 339 millions appropriated to the maintenance of an army of 400,000 men, not to give security but to produce insecurity by the extreme severity of the impositions of all kinds thus rendered necessary. Were France prosperous, she would require no army to defend her territory against foreigners, and 20,000 men would maintain peace at home.

The distribution of the funds appropriated to the army, is as follows: to the marshals of France, of whom there are 13, and to the lieutenant generals, of whom there are 122, 40 thousand francs, = \$7,500, per annum each,‡ and to the conscript, compelled to devote six of his best years to the public service, a very moderate allowance of food and clothing, and \$5 47 per annum.

We find 64 millions appropriated to the marine service, nearly all of which is required for the maintenance of colonies that are retained for the purpose of finding employment for the army, and at the expense of the people of France, labourers and capitalists.§

The minister of finance disburses annually 570 millions, 300 of

\* Martin's Colonies, Vol. I. p. 313.

† Documens Statistiques, p. 145.

‡ Monarchy of the Middle Classes, Vol. II. p. 209.

§ "The French colonies not only absorb the whole of the local revenues, exceeding eight millions of francs, but require from the mother country, nearly eight millions per annum."—Bowring's First Report, p. 63.

which are for interest on a debt contracted in part for the purpose of repaying their neighbours for the injury which 'the love of glory had induced them to commit; in part for the payment of their countrymen, who had been despoiled of their property,\* and in part for carrying arms into Spain, for the purpose of dictating to their neighbours the form of government most proper for them.† He disburses 56 millions for pensions, of which 44 millions are to men who have been employed in disturbing the peace of their neighbours; 3 millions to the Legion of Honour; 15 millions to the civil list; and the chief part of the balance is paid to those who are employed in collecting taxes, or watching those who wish to avoid the payment of them.

In the distribution of these portions of the revenues, we find throughout the same inequality as we have shown to exist in the army. The king has 13 palaces, and all the members of his family are provided therewith,‡ while the inferior clerk receives scarcely sufficient to enable him to occupy a very inferior room in one of the worst quarters of Paris.§

During the reign of Louis XVIII., the civil list, exclusive of the other branches of the royal family, was fixed at 30,000,000 francs, or £1,200,000 sterling. On the accession of Charles X., it was reduced to,

The King,	-	-	-	fr. 25,000,000	£1,000,000
Other branches of royal family,				7,000,000	280,000
Revenue of domains and forests,				8,000,000	320,000
				fr. 40,000,000	£1,600,000

Since 1830, the allowance has been still further diminished, but it is still 3 millions of dollars per annum. The chief officers of State have salaries of 10, 15, and 20 thousand dollars per annum,¶ while the clerk has scarcely sufficient to enable him to support existence.

\* One thousand millions were voted to the emigrants.

† Four hundred millions was the cost of the invasion of Spain by the Duke d'Angoulême.

‡ It was recently proposed to grant Rambouillet to the Duke de Nemours. On that occasion it was asserted that the domain would sell for eight millions of francs. This is only one of the royal establishments.

§ The salaries of the governors, and contingent expenses of maintaining these palaces, are 4,908,604 francs.—*M'Gregor, Resources of Nations, Vol. I. p. 233.*

|| *M'Gregor, Resources of Nations, Vol. I. p. 231.*

				Francs.	
¶ Under Napoleon, the Minister of Finance had	-	-	-	160,000	= \$15,000
The Minister of the Interior, has	-	-	-	80,000	= 15,000
Lord Steward of the household of the King,	-	-	-	140,000	= 26,000
Maitre d'Hotel to do. do.	-	-	-	40,000	= 7,500
Chamberlain of the household,	-	-	-	10,000	= 1,833



We come at length to the Minister of the Interior, who has charge of the public works, and find that he has only 125 millions. A part of this sum is applied to the maintenance of public roads; another part to the construction of canals; another to the erection of monuments,\* and to the support of theatres, and operas, and singing-schools, for the people of Paris. A large portion of the capital applied through his agency is wasted,† but even were it advantageously applied, it is interesting to remark how small a proportion its amount bears to that appropriated for warlike purposes.

On a still smaller scale, we find the appropriation for the Minister of Commerce, who is charged with the *protection* of agriculture, manufactures, and commerce. The whole sum so applied, is undoubtedly wasted, but its very diminutive amount, when compared with that allowed to the department of war, is worthy of note.

To the Department of Justice, which is the most important, but nineteen millions are allowed. The condition of the prisons of France,‡ is a sad commentary on the policy which allows hun-

Grand Almoner, - - - - -	Fr. 100,000 = \$18,333
Confessors, clerks, &c., to the private chapel, - -	593,000 = 109,000§
President of the Chamber of Deputies, in addition to	
Hotel, horses, and equipage, - - - - -	100,000 = 18,333

\* The Barriere de l'Etoile, the Church of *la Madeleine*, the monument of the Bastille, and a few others that might be mentioned, have cost more than would be required to construct a rail road from north to south, and from east to west. The first gratify the vanity of the people of Paris, and the taste of their visitors. The last would increase by one half the means of obtaining the necessaries of life to every man in France, and afford to those concerned in their construction the satisfaction of knowing that they had benefited their countrymen.

† See the remarks of M. Chevalier on the canals of France, *ante*, p. 173.

‡ "The convict who arrives at the prison half depraved, leaves it in a state of complete corruption, and we may well say that in the bosom of so much infamy, it would be impossible for him not to become wicked. \* \* \* The prison, the system of which is corrupting, is at the same time fatal to the lives of the prisoners. With us, one prisoner dies out of fourteen in the *maisons centrales*. In the penitentiaries of America, there dies, on an average, one out of forty-nine."—*De Beaumont and De Tocqueville*, p. 84.

The authors, though preferring the Pennsylvania system, deem the expense so considerable that it would be "imprudent" to propose its adoption. "Too heavy a burden," they say, "would be thrown on society, for which the most happy results of the system could hardly offer an equivalent."—*Ibid.* p. 90.

Out of the immense revenues of France, enough cannot be spared to accomplish any *merely useful work*, but there are no limits to the expenditure on armies, navies, colonies, palaces, &c.

§ "Under Louis Philippe, the expenses of the private chapel have been reduced to 40,000 francs."—*M<sup>r</sup> Gregor*, Vol. I. p. 233.

dreds of millions for the purposes of war, and but nineteen millions for justice, and to that of education but four millions, of which less than one million is appropriated to primary instruction, and the balance to colleges, scientific and literary establishments, &c., chiefly for the advantage of the higher orders. Thirty-three millions are appropriated to religious purposes, the distribution of which has been similar to that in the army. Previous to 1827, the Archbishop of Paris had 100,000 francs per annum, and a curate 750 to 900 francs. In 1834, the former was reduced to 40,000 francs, and the latter raised to 800 to 1000 francs.\*

If we look to the local expenditure, we find a similar state of things. Immense sums are raised for the support of hospitals, for the payment of the expenses of fetes,† for the support of theatres,‡ and for other purposes, in which the people at large have no interest whatever. An examination of the whole system of administration will satisfy the reader that nearly all the expenditure of the present day, results from the "love of glory" that has in time past existed in France, or from the same feeling existing at the present moment, as displayed in the case of Algiers, upon which, valueless as it is, such vast sums have been expended. No honours are too great for General Damremont, who perished at the taking of Constantine, because he lost his life in the pursuit of glory. Thousands of men now live in France in a state of poverty, who have done more than that officer to benefit their species, but they are unnoticed because they prefer the dull pursuits of civil life.

Were it possible to free France from the weight of her debt, from her army, and her marine, except so far as is necessary to maintain security, which might perhaps require 20 or 30,000 men on sea and land, she would, by the same process, be freed from an army

\* Monarchy of the Middle Classes, Vol. II. p. 118.

† A statement has been published of the expense of some fetes given under the Empire and the Restoration. The following are amongst the list:

Coronation of the Emperor,	-	-	-	-	1,745,646 francs.
Marriage of Marie Louise,	-	-	-	-	2,670,932 "
Birth of the King of Rome,	-	-	-	-	600,000 "
Baptism of the Duke of Bordeaux,	-	-	-	-	688,000 "
Fetes of the Trocadero,	-	-	-	-	800,000 "
Coronation of Charles X.,	-	-	-	-	1,164,697 "

Total, - - - - - 7,669,275 francs,  
or a million and a half of dollars.

‡ "Among the municipal expenses of Lyons are 13,990 francs for the theatre."  
—*Budget of the Town, given in Bowring, p. 75.*

of tax gatherers,\* who absorb 100 or 150 millions per annum, and the total reduction might be 700 or 750 millions, leaving an expenditure of 250 or 300 millions, to collect which would require machinery of the simplest kind, that need not interfere materially with the free employment of labour and of capital.

M. Chevalier says, "our old societies of Europe have a heavy burthen to bear, that of the past."† The heaviest burthen they have to bear, is the weight of interests opposed to benefiting by the experience of the past, which teaches that the more moderate the expenditure of government, the more rapidly will capital accumulate—the more rapid will be the growth of security and consequently of production—the larger will be *the share* of the labourer—and the larger will be *the quantity* obtainable by the capitalist.

The *average* expenses of GREAT BRITAIN, during the reign of George I., a period of twelve and a half years, were £3,100,000, exclusive of interest on the public debt, which averaged £3,300,000‡ making a total of £6,400,000 per annum. The peace establishment was £2,583,000. The average receipts of the reign of George II., a period of thirty-three years, were little more than eight millions.§

The expenditure of 1836, was 48,800,000 pounds, as follows :

Civil government,	-	-	£ 1,600,000	
Justice,	-	-	1,000,000	
				£ 2,600,000
Debt,	-	-	28,500,000	
Diplomacy,	-	-	400,000	
Army,	-	-	6,400,000	
Navy,	-	-	4,100,000	
Ordnance,	-	-	1,200,000	
				40,600,000
Public works,	-	-	300,000	
Sundries,	-	-	2,300,000	
				2,600,000
Collection of revenue,	-	-	-	3,000,000
				£ 48,800,000

\* "By a statement lately published by the Statistical Society of Paris, it appears that 615,500 persons receive in salaries and allowances from government, 347,000,000 francs, or \$65,000,000. Of this number there are, exclusive of soldiers, sailors, and minor employments, paid functionaries, 307,588. The 86 *prefets*, 363 *sous prefets*; 2835 *juges de paix*, and 37,021 mayors—amount, exclusive of their numerous adjoints, to 40,219."—*McGregor, Resources of Nations, Vol. I. p. 240.*

† Tom. II. p. 394.

‡ Pebrer's Resources, p. 147.

§ Ibid. p. 149.

If from the above we strike out that which results from interference by arms with the affairs of other people, and that which is now caused by keeping up, in every part of the world, colonies of no possible advantage to the people of Great Britain,\* it will be seen that the increase that has taken place since the death of George II., is by no means a necessary one.

The cost of the civil government, and of administering justice, is only £2,600,000, yet even there the unnecessary expenditure is immense, owing to the display deemed to be required for the maintenance of the royal dignity,† to the system of granting pensions, and of maintaining sinecure offices.‡ Sir James Graham stated, May 14, 1830, that out of 169 privy councillors, 113 received public money amounting to £650,164 per annum, of which £86,103 was for sinecures, and £121,650 for pensions.

\* *Independently of the expenses of army and navy*, the annual cost of the colonies of Great Britain, by a Parliamentary Return of 1832, was £1,761,497. As a specimen we give the following:

New South Wales—Expenditure, 1825, £234,153—Colonial Revenue £36,779, and balance supplied from Great Britain.

Salaries—Governor in Chief,	-	-	-	£4,200
Colonial Treasurer,	-	-	-	1,000
Colonial Secretary,	-	-	-	2,750
Naval Officer,	-	-	-	2,585
Attorney General,	-	-	-	1,400
Sheriff,	-	-	-	1,000
Arch Deacon,	-	-	-	2,000

Van Dieman's Land,				
Civil Establishment,	-	-	-	54,108
Paid by Colony,	-	-	-	50,742

3,366

Salary—Lieutenant Governor,	-	-	-	2,500
Treasurer,	-	-	-	800
Secretary,	-	-	-	1,200

*Wakefield, Public Expenditure, p. 78.*

† Civil list, privy purse, tradesmen's bills, salaries of the household,				
1830,	-	-	-	£409,700
Junior branches of the Royal family, and prince Leopold,	-	-	-	249,974
Lord Lieutenant of Ireland's establishment,	-	-	-	67,935

‡ As specimens we offer the following:

Lord Ellenborough, Chief Clerk of the King's Bench,	-			£9,625 08s. 1d.
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Hon. W. J. Scott, receiver of the fines of the Court of Chancery,	240	14	8	
Register of affidavits,	-	-	-	1816 13 8
Clerk of the Letters patent,	-	-	-	533 14 11

£2,591 3s. 3d.

*Monarchy of the Middle Classes, Vol. II. p. 215.*

Recently the allowance to the Queen Dowager has been fixed at £100,000, = \$480,000, per annum, with Marlborough House, and £21,000 for repairs, and

In the distribution of the public moneys among those employed in the public service, we find a state of things greatly resembling that which exists in France, viz. high salaries to those in the higher offices, and very small compensation to the rank and file. Nevertheless the difference is by no means so great as in that country. *The smaller the proportion of the earnings of the labourer required by the capitalist and by the public service, the less will be the difference in the compensation of the highest and lowest class of public servants.* The King of France has the entire control of a sum vastly larger than is at the control of the Queen of England, yet the government of the latter is obliged to fix the pay of the army at such a rate as will ensure the obtaining of the necessary supply of recruits by voluntary enlistment. The difference between the head and the foot of the social scale is therefore far less than it is in France.

The sums allotted to the various members of the aristocracy are immense, and prove that those who possess power generally forget right. The amount annually paid to those who render therefor no service whatever, is probably as great as the cost of the State governments of the United States.\*

In the distribution of the revenues of the church, we find the same extraordinary difference, and while some of the dignitaries have revenues of nearly £20,000 = \$96,000, more than one third of the curates average less than £60, and only 84 exceed £160.†

We find it again in the distribution of the revenues of corporations. The expenses of the Mayoralty of London are above

£40,000 for fitting it up. The king of the Belgians has had, in six years, £300,000, or nearly a million and a half of dollars.

The Duke of Wellington's pension is £12,531; this is in addition to £700,000 granted him in money, the interest only of which is £35,000; besides this, he is a Field Marshal, Colonel of a regiment of horse and of foot, Colonel in chief of Engineers, Colonel in chief of Artillery, Lord Lieutenant of Southampton, Lord Lieutenant of the Tower Hamlets, High Constable of the Tower, Governor of Dover Castle, and Lord Warden of the Cinque Ports, and a Commissioner of Indian Affairs; these offices produce £26,000, with several other sources of emolument and immense patronage.

\* The total amount received by one family, in three years, is stated at £234,468.† The annual sum received by peers and their connexions—172 families—is stated at £979,740, or £5,696 per family.§ Fifty families have £663,820, an average of £13,276 per family.||

† The poverty of the Welsh clergy is proverbial; many of the curates receive no more than £10 or £15 per annum. They seldom taste animal food; a meagre allowance of bread and potatoes being all their scanty means afford.—*Parliamentary Report, May 28, 1830.*

† Wakefield, Public Expenditure, p. 219.

§ Ibid. p. 254.

|| Ibid. p. 260.

£ 25,000,\* and eleven other city officers divide among themselves nearly £ 30,000.† On great occasions the expenditure is immense, as has recently been seen in the case of the visit of the Queen to the city. Wherever the distribution of the proceeds of labour tends to produce inequality, as in the case of England and France, there is a strong disposition for lavish expenditure.

In the UNITED STATES, we find the following distribution of the revenue of the Federal government, for 1832.

Civil list, - - - - -	\$ 1,800,757
Military services, fortifications, &c.,	\$ 5,446,034
Naval establishment, - - - - -	3,956,370
	<hr/>
	9,402,404
Foreign intercourse, - - - - -	325,181
Pensions,‡ - - - - -	1,184,421
Indian department, - - - - -	1,352,419
Miscellaneous, - - - - -	2,451,202
	<hr/>
	\$ 16,516,384

On a former occasion,§ we stated the cost of government at \$2 19 per head, giving about 30 millions as the total amount, of which sum less than one third is appropriated for military and naval purposes, and even those all of a purely defensive character.||

\* Annual expense of the Mayoralty of London.

Salaries and allowances to the <i>Lord Mayor</i> , - - -	£ 7,904	1s. 3d.
Repairing <i>state barge</i> , <i>state coach</i> , and stabling, - - -	630	11 5
Chaplain, <i>sword-bearer</i> , and common crier, - - -	1,093	16 9
<i>Master of the ceremonies</i> , <i>serjeant of the chamber</i> , &c., - - -	3,763	13 2
Salaries paid to water-bailiffs, &c., for duties connected with the mere pageantry of the Mayoralty, - - -	988	17 4
Seven trumpeters, butlers, &c., - - -	149	3 0
Furniture, lights, books, plate, &c., - - -	1,379	19 11
	<hr/>	
	£ 15,910	2 10

With sundry other expenses, making the total annual expense of the Mayoralty £25,034 7s. 1d., or above \$ 120,000, "not a farthing of which enormous sum is expended for any useful purpose."—*London Review*, No. V. p. 80.

At page 111, *ante*, the reader will find the expenditure of the city of Boston, with which the above may be compared.

† *London Review*, No. V. p. 80.

‡ These pensions are enjoyed chiefly by soldiers of the war which established the independence of the United States. A small portion is received by soldiers disabled in the service at more recent periods.

§ See page 116, *ante*.

|| Small as is the army, a large portion of the surveys preparatory to the construction of roads, &c., have been made by it. The number of such surveys made in eleven years, was nearly three hundred.

A part of the remainder of the revenue of the Federal government is devoted to the support of those who, in their youth, contributed to the establishment of the existing government—another to the gradual purchase of the Indian lands, &c.

We have already given the particulars of the expenditure of the State of Massachusetts, showing how large a portion of even its very limited amount is appropriated to purposes not connected with government, but designed to promote improvement in the physical and moral condition of the people.

In that of the State of Pennsylvania, with a population of 1,600,000 persons, we find a result nearly similar. Out of \$566,000, more than \$200,000 are appropriated to purposes of education, to improvements in the penitentiaries, &c.\*

If the proportion of the revenue here applied to warlike purposes be widely different from that which is so applied in the countries already considered, not less different are the proportions assigned to the highest and lowest public servants. In the United States,

The President has	-	-	-	\$ 25,000
The Secretary of State,	-	-	-	6,000
Attorney General,	-	-	-	6,000
Postmaster General,	-	-	-	6,000
Chief Justice of Supreme Court,	-	-	-	5,000
Governors of New York and Pennsylvania, each,				4,000†

The common soldier has \$8 per month; clothing, the value of which exceeds \$30 per annum, and as much food as he can consume.‡

The difference between this picture and that presented by

* Expenses of government, 1836,	-	-	-	\$ 259,191
Militia expenses,	-	-	-	29,601
Pensions,	-	-	-	47,179
Education,	-	-	-	161,838
Penitentiaries,	-	-	-	45,109
House of Refuge,	-	-	-	5,000
Miscellaneous,	-	-	-	18,853

\$ 566,771

† The four Governors of the Canadas, New Brunswick, and Nova Scotia, receive \$92,000 salaries, while all the governors of the twenty-four United States, receive only \$54,782.

‡ The ration is as follows: three fourths of a pound of pork, or bacon, 1½ pounds of fresh or salt beef, and 18 ounces of bread, or flour, or 12 ounces of hard bread, per day; and at the rate of 4 pounds of soap, 1½ pounds of candles, 2 quarts of salt, 4 quarts of vinegar, 8 quarts of peas, or beans, or (in lieu thereof) 10 pounds of rice, 4 pounds of coffee, and 8 pounds of sugar, *per hundred rations*.

France is worthy of great attention. In the latter, we see the sovereign, with numerous palaces, disposing of a large revenue, while the unfortunate conscript is compelled to give his services to the community in exchange for a small quantity of food and clothing. In the former, we see the chief of the State enjoying a moderate compensation for the cares and troubles incident to his station, and the common soldier paid by the community at the same rate that he would be paid by individuals, *i. e.* selling his services at the market price.

The same difference exists if we compare the salaries of persons filling intermediate offices. The Minister of the Interior receives a much larger compensation for his services than the Secretary of State, but the clerk in the office of the first has but 2500 or 3000 francs, while a similar clerk in the Department of State has probably half as many dollars.\*

\* "The mean of American salaries is much superior to ours. *When the Federal or State governments want capable men, they do as American merchants do, they pay them.* \* \* \* In the Treasury Department, of 158 persons employed, there are but six who have less than \$1000; but it is equally true that there are only two who have more than \$2000. \* \* As the necessaries of life, that is to say, bread, meat, coffee, tea, sugar, and fuel, are generally cheaper than in France, and particularly in Paris, 1500 or 2000 dollars is, in most cases, sufficient to maintain a family in ease and comfort. The *employé* who, in Paris, receives 2500 or 3000 francs, lives in the most economical manner, if he is a bachelor, and suffers privations if he is married. At Washington, or at Philadelphia, he would have 6000 francs, and live, certainly without display, but in abundance."—*Chevalier, t. II. p. 151.*

M. De Tocqueville, (Vol. II. p. 77.) says, "These opposite effects result from the same cause: the people fixes the salaries of the public officers in both cases; and the scale of remuneration is determined by the consideration of its own wants." That writer labours constantly under the impression that what he terms "the tyrannical majority" is always disposed to bring all above them down to their own level, and is therefore of opinion that the secondary public officer is well paid because he is on a level with the people, and may therefore "excite their interest," while the highest officers "arouse their envy."—*Ibid. p. 78.*

The inference here drawn is singularly incorrect. A much more simple one might have suggested itself. In the United States the value of labour is high, and clerks, officers of the army, &c., must receive salaries approaching in amount those which could be obtained in other employments. The President and his Secretaries are supposed to derive some honour from their employments, and able men can always be obtained to fill them, even at the present rate of compensation, but *the clerk must have all in money*, as he derives *no honour* from his employment. Even the present rate of compensation is insufficient to secure to the government the services of men of ability, who are constantly tempted to embrace the more advantageous offers made to them elsewhere, and accordingly the best engineers of the army resign, because they can obtain double the reward elsewhere. If the reason were such as is suggested, it would be necessary to find one very different to account for a somewhat similar state of things in England, where the aristocracy have always ruled. There, the member of parliament does not obtain even the com-



We now submit to the reader the following propositions :

I. That where government expends\* the *largest* proportion of the product of labour, the quality of labour is lowest ; the labourer takes the smallest proportion, and the capitalist takes the largest proportion, as in India and France.

II. That where it expends the *largest* proportion, the same difference is observed in the distribution of the public revenue, the chief officers of the government having it in their power to take a large share thereof, leaving a small one to be divided among the numerous persons in the inferior situations of the public service, as in India and France.

III. That where it expends the *largest* proportion, a very small proportion of the public revenue is applied to purposes tending to the improvement of the condition of man, while a large portion

persensation of the common soldier, while the prime minister receives much less than many persons who hold very inferior offices. Thus we find aristocracy and democracy producing, to a certain extent, the same results. The cause to which we have referred accounts for both, which is not the case with that suggested by M. De Tocqueville. The minister and the member of parliament are paid partly in honour, which induces them frequently to forsake lucrative employments, but the clerk must be paid the market price of his talent, and if he be not, he will seek employment and reward elsewhere.

M. De Tocqueville is of opinion that, "it is the parsimonious conduct of democracy towards its principal officers, which has countenanced a supposition of far more economical propensities than it really possesses. It is true," he says, "that it scarcely allows the means of honourable subsistence to the individuals who conduct its affairs ; but *enormous sums are lavished to meet the exigencies, or to facilitate the enjoyments of the people.* The money raised by taxation may be better employed, but it is not saved. In general, democracy gives largely to the community, and very sparingly to those who govern it. The reverse is the case in aristocratic countries, where the money of the state is expended to the profit of the persons who are at the head of affairs."—*Vol. II. p. 80.*

A comparison of the modes of expenditure in the several States to which we have referred, will satisfy the reader that not only is government administered in the United States at far less cost than elsewhere, but that its pacific tendencies are such that security, which is indispensable to production, is promoted both by what it does and by what it abstains from doing. It takes but a small *proportion* of the product of labour, out of which "*enormous sums*" are "*lavished to meet the exigencies of the people,*" being invested in the creation of school-houses, canals, &c., for the purpose of increasing their productive power. It is true that the people would themselves use those sums more advantageously than is done by the government, but there can be no charge of want of "economical propensities" while such is the mode in which the public revenue is expended. M. De Tocqueville does not seem to be aware of the difference in the effect produced by the expenditure of a million in the creation of school-houses, or in the burning of powder.

\* The British government *expends* a smaller proportion of the product of labour than that of France. A large portion of what is taken by the former *from the labourer*, is returned *to the capitalist*, and the injurious effect, although considerable, is far less than if it were employed in supporting armies.

is applied to the injury of their neighbours, or in other ways tending to the advantage, real or supposed, of those charged with the administration of the government, as in India and France.

IV. That where it expends the *largest* proportion, a very small quantity is applied to the support of theatres and places at which the people are gratuitously amused—or colleges at which they are gratuitously educated—as in France.

V. That where it expends the *smallest* proportion, as in the United States, the quality of labour is highest, the labourer takes the largest share, the capitalist has the smallest share; the salaries of the higher officers of government are moderate, while those of the inferior officers are such as enable them to live in comfort; the largest proportion of the public revenue is applied to the improvement of the condition of the people, and the smallest share to the illustration of those charged with the administration of the government.

VI. That where it expends the *smallest* proportion, the people provide themselves with both amusement and education—as in the United States.

VII. That when, with the increase of population, there is an *increase in the proportion* claimed by the government, there is a tendency to a constant diminution of production, giving to the capitalist a larger, and to the labourer a smaller share, and to both a *diminished quantity*; the distance between the labourer and capitalist, is constantly increasing; the *number* of persons who themselves apply their own capital in aid of their own labour is constantly diminishing, and the *number of mere labourers* is constantly increasing, until at length property centres in the hands of a few individuals, as in India.

VIII. That when, with the increase of population, there is a *decrease* in the proportion required by the government, there is a constant improvement in the quality of labour, and in the amount of production, giving to the labourer a larger, and to the capitalist a smaller share, and to both an increased quantity; the distance between the labourer and capitalist is constantly diminishing, in consequence of the facility of passing from the ranks of the labourers to those of the capitalists, who are constantly increasing in numbers, showing, with the rapid increase of wealth, an equally rapid increase of the numbers among whom it is divided, as in the United States.

IX. That thus the system which tends most to promote the progress of wealth, is that which tends to produce moral and physical improvement in all classes; the poor lord, with his hundreds of

starving vassals, being replaced by numerous capitalists, and large bodies of educated farmers and mechanics, who will themselves, with further improvement in the modes of applying labour, become capitalists—showing that *when man ceases the work of destruction, nature is constantly at work to remedy the evils which he has caused, and that whatever may be the existing inequalities of condition, there is a constant tendency to their removal, as is seen in the United States.*

## CHAPTER XIII.

DISTRIBUTION OF PRIVATE REVENUE.  
INDIA.—FRANCE.—ENGLAND.—UNITED STATES.

ON a former occasion,\* we submitted to the reader the proposition, that with increase of population and capital, and the extension of cultivation over the inferior soils, there was a constant improvement in the feelings of man towards his fellow man, manifested by an increased and increasing desire to secure to all the means of comfortable subsistence, and of moral and physical improvement. It is only necessary to trace the history of the people of England and of France for centuries past, to find evidence of the correctness of this proposition.

The superior density of population would warrant us in expecting to find this disposition more general in France, England, and India, than in the United States, but the superior quality of the labour would lead us to expect it to exist most abundantly in the United States, next in England, third in France, and last in India. We shall now examine which of these is in accordance with the facts.

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In INDIA, with a very few exceptions,† there are no contributions for such purposes. The mass of the people do not possess the power, and the few who do, want the disposition.

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We have had occasion to show how little has been done in FRANCE for the promotion of education of any description. In regard to religious instruction, we have also shown that although the population has so greatly increased, Paris and France are not so well supplied with churches as they were in former times. If we look to the charitable institutions, we find the great mass of them supported by the government. It cannot be doubted that there exists throughout that country much of that dispo-

\* Vol. I. p. 341.

† "At a meeting of the native inhabitants of Bombay, held August 28, 1827, for the purpose of testifying their respect for the Hon. Mount Stuart Elphinstone, it was resolved to raise a fund for the endowment of certain professorships, to be named after that gentleman, and the sum of 52,276 rupees, = \$26,000, was subscribed by those present."—*Rickard's India*, Vol. II. p. 413. See also page 186, *ante*.

sition which leads us to grant our aid to those who require it, but there exists also a universal feeling of dependence upon the government,\* the consequence of which is, that there is a want of that confidence in themselves, and in each other; which leads to the formation of institutions by individuals. There is no public spirit. We have now before us a list of the charitable institutions of Paris,† that are independent of the administration of the government, and it is exceedingly small, much smaller than could be produced in a single city of the United States, containing not one tenth as many inhabitants as that city, in which is, notwithstanding, concentrated nearly all the public spirit of France, and to which we should look to obtain a favourable specimen of the influence of the national institutions upon the heart.

If the contributions to independent societies be small, those of individuals to the various hospitals, and *bureaux de bienfaisance* are not large.

In the year 1833, the total amount of *gifts and*

<i>legacies</i> to the hospitals of France, was	-	fr. 1,026,000
And to the bureaux de bienfaisance, -	-	2,000,000
		<hr/>
		fr. 3,026,000‡

equal to \$570,000, a very small sum to be contributed voluntarily in a nation of above 32,000,000, containing 2,000,000 of persons in a state of permanent destitution, and *in which there exists no tax for the poor.*

The penitentiaries of France are in a condition that would be worthy of the sixteenth century, and there are few men actuated by the spirit of Howard, to endeavour to introduce any improvements.§

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\* "The citizen is unconcerned, as to the condition of his village, the police of his street, the repairs of his church, or of the parsonage; for he looks upon all these things as unconnected with himself; and as the property of a powerful stranger whom he calls the government."—*De Tocqueville, Vol. I. p. 127.*

† Villeneuve, Vol. II. p. 367.

‡ *Documens Statistiques, p. 102.*

§ In France, "without the walls of the prison, religious ardour is met with in the ministers of religion only. If they are kept from the penitentiary, the influence of religion will disappear: philanthropy alone will remain for the reformation of criminals. It cannot be denied that there are with us generous *individuals*, who, endowed with profound sensibility, are zealous to alleviate any misery, and to heal the wounds of humanity: so far their attention, exclusively occupied with the physical situation of the prisoners, has neglected a much more precious interest, that of their moral reformation. \* \* \* But these sincere philanthropists are rare; in most cases philanthropy is with us but an affair of the imagination."—*De Beaumont and De Tocqueville, p. 94.*

We have already shown how exceedingly defective is the provision for education in ENGLAND. The institutions of that country for the higher departments of education, have existed for a long period, and the only additions of recent time are King's College, and the London University.

In no part of England has the growth of population and of wealth approached so nearly that of the cities of the United States, as in Manchester, which contained in 1831, 237,000 inhabitants, being more than any city of the United States except New York, and it is there, consequently, that we can with most propriety, for the purpose of comparison, examine the provision for education. The reader has already seen\* what is its condition in that respect, and can form some idea of the extent of voluntary contributions in aid thereof. Of institutions of a higher order, we find only the Royal Manchester Institution; but it appears to possess "no assured means of carrying out the legitimate designs of its founders," as "the permanent annual charges very nearly swallow up its annual income."† There is also the Mechanics' Institution, with a library of 3,595 volumes.‡ On an examination of the account given in the work to which we have here referred, it is impossible not to feel satisfied that Manchester has not contributed its due proportion in aid of the dissemination of knowledge.

If we look to London, we find a vast number of institutions, all contributing largely to increasing the stock of knowledge, and in the support of which a high degree of liberality is displayed. That city represents England, and the extent to which it does so is to be judged by the extraordinary paucity of institutions in Manchester and other provincial towns. In London, then, we should find a good system of education, the result of the voluntary contribution of time or of money by the wealthy and public spirited of the English people, but unfortunately such is not the case. The provision for general education in that city is entirely insufficient, although possessing the advantage of a vast amount of capital accumulated from past ages for that express purpose. It is impossible to examine into the condition of England in this respect, without feeling a conviction that the amount of voluntary contribution has been very small indeed.

In regard to the provision for religious education, we have already shown that it has been necessary for the government to come forward in aid of those who were disposed to contribute

\* Page 193, *ante*.

† Wheeler's *Manchester*, p. 411.

‡ *Ibid.* p. 413.

for this purpose; but even with the aid of government it has not, by any means, kept pace with the growth of population.

The number of societies for the purpose of disseminating a knowledge of the Christian religion is very great, and they have been active in every part of the world. We have now before us a list of 32, embracing, on the one hand, the British and Foreign Bible Society, with an income of £86,819, and on the other, the Metropolitan City Mission, with £82, the contributions to which, for 1836, amount to £543,522,\* = \$2,600,000. These societies are established in London, towards which quarter flow the contributions of the chief part of the kingdom. The History of Manchester, a work which gives a very full account of institutions of every description, makes no mention of the existence of such societies, nor do we find any such in the account of Liverpool now before us.† That local institutions of this description exist to a great extent we do not doubt, but they are not of such character or extent as to require particular notice even in works the object of which is to elevate as much as possible the places which they are meant to describe.

The charitable institutions of England are upon a magnificent scale; but a large portion of them are the bequest of past ages, and we doubt if the contributions of the present time have maintained their ratio to population. In Manchester, the last twenty-five years have produced only an institution for the treatment of Diseases of the Eye, the Lock Hospital, a Lying-in Hospital, a School for the Deaf and Dumb, and several Dispensaries.‡ In Liverpool, with a population of 230 or 240 thousand, there existed, in 1836, an Infirmary, a Lunatic Asylum, two Ophthalmic Institutions, an Institution for relieving Diseases of the Ear, one for the Deaf and Dumb, another for the Blind, a Marine Humane Society, and two Dispensaries.§ In London, we find nearly twenty institutions|| of this kind produced in the last quarter of a century.

\* Pulpit, No. 757.

† Encyclopædia Britannica.

‡ Wheeler's Manchester, 1836, p. 424.

§ Encyclopædia Britannica.

|| Charing Cross Hospital, 1831.

Hospital of Surgery, 1827.

Royal Metropolitan Infirmary, 1830.

Universal Infirmary for Children, 1816.

Seaman's Hospital, 1821.

London Tower Hospital, 1820.

Institution for cure of Malignant Diseases, 1820.

" Glandular and Cancerous Complaints, 1820.

" Cataract, 1819.

The Charity Almanack furnishes a list of societies, of every description, that is highly creditable to the people of England, proving that as man is enabled gradually to improve his own condition, there is excited in him a desire to aid his less fortunate fellow citizens in their endeavours to accomplish the same object.

In relation to the poor there is a much kinder feeling throughout England than exists in France. The reader has seen how inferior is the condition of the pauper of the latter to that of the former.\* We know of no stronger evidence of improved civilization, than kindness and attention to those who, by age or indisposition, are unable to help themselves. The savage permits his own immediate connexions to perish when they become unable to help themselves; but as population and capital increase we find the aged and the infirm receiving a constantly increasing share of attention, governed by that discretion which, while it would not interfere with the claims of humanity, would lead to the avoidance of any and every measure tending to impair the feeling of independence.

With improved feeling towards the poor, we find a constantly increasing attention to the claims of those whose crimes render it necessary for the community to inflict punishment. In barbarous times punishments are severe, and imprisonment is accompanied by every circumstance tending to harden the heart of the criminal, and render him unfit to be again received into society. With improved modes of thinking the situation of the convict is improved, and thus we find a decided superiority in the prisons of England over those of France.

In the UNITED STATES, we have already shown the vast extent of contributions required for the erection and maintenance of schools,† constantly increasing in their ratio to population. We have shown that in those States in which the common school

Institution for diseases of the Eye and Ear, 1826.

" Ear, 1816.

" Cutaneous Diseases, 1829.

" Scrofula and Cancer, 1822.

" Relief and Delivery of Indigent Women, 1828.

" Poor Lying-in Women, 1813.

Two others for Lying-in Women, 1814, and 1823.

Dispensaries.

\* Page 220, *ante*.

† "The State never begins the work of erecting a school. It requires the citizens to do it, and it will then lend them its aid."—*Reed and Matheson, Vol. II. p. 154.*



system has been fully established, the contributions are still continued, and are devoted to the establishment of lyceums and institutes of various kinds, and to the support of libraries, and, that the number of colleges has increased more rapidly even than population.\* If we take the voluntary contributions for these purposes alone, and reflect that nearly all the schools and colleges are the creation of the last forty years, we shall obtain an amount far greater than the *total quantity of voluntary contributions for all purposes* of any country except England.

If we look to the provision for religious education, we find the same result. Churches keep pace with population, and institutions for the education of religious instructors do the same.†

Again, if we look to the dissemination of religious knowledge throughout the world, we find missionary societies abounding. The Bible Society has an income varying from 100 to 170,000 dollars, and has auxiliaries in every part of the country. The Board of Foreign Missions has an income of \$150,000, and maintains 103 missionaries among the people of India, of Africa, of the Islands of the Pacific, and of the Western Wilds of America. The Home Missionary Society maintains above 400 missionaries, at a cost of about \$100,000. The Baptist Missionary Society has \$50,000. The American Tract Society has nearly \$100,000. The Sunday School Society has \$152,000. The total income of ten societies, for the year 1835, was \$800,000. There being no central point, like London, to which they are attracted, societies spring up in every part of the Union, each acting for itself, and each doing good in its own field of action. The number existing is exceedingly great, but they are so widely scattered that it is totally impossible to attempt to obtain the whole amount of contributions.‡ We have, however, abundant reason to believe that, rapid as is the increase of population, there is a much more rapid increase in the provision for

\* See page 197, *ante*.

† "In no country in the world do the citizens make such exertions for the common weal; and I am acquainted with no people which has established schools as numerous and as efficacious, places of worship better suited to the wants of the inhabitants, or roads kept in better repair."—*De Tocqueville*, Vol. I. p. 125.

The contributions for the payment of the teachers keep pace with those for the maintenance of institutions to prepare them for giving instruction. We have now before us the proceedings of the Convention of the Episcopal Church of the Diocese of New York, from which it appears that a fund of \$101,732 = £21,000 sterling, has been raised for the support of the Episcopate.

‡ Messrs. Reed and Matheson give the receipts of 22 institutions, in the year 1833-4, at \$910,961.—*Visit to the American Churches*, Vol. II. p. 117.

religious instruction, and that the contributions therefor are greater than in any other part of the world.

In examining the charitable institutions of the Union, we find the same result. Within a very limited period there have been established, by the several States, numerous asylums for poor lunatics, of which fifteen now exist in the Union. These are erected by direction of the local legislatures, and do not properly come within the limits we have prescribed for ourselves, yet they tend to show that the various communities and their members are all labouring in the same cause. In the various cities of the Union provision is made for almost all cases of distress or disability that can occur. In Philadelphia, there have been established, in addition to the numerous institutions previously existing, within twenty-five years, a Deaf and Dumb Asylum, a Blind Asylum,\* a Hospital for the Blind and Lame, a Lying-in Hospital, a Widows' Asylum, a College for Orphans, two Orphan Asylums, and an Insane Hospital, by private contribution, and the House of Refuge for youthful criminals, erected by individuals, aided by the State.† All these are on an extensive and liberal scale, and have been produced in a place that has, during that time, averaged less than 150,000 inhabitants, and that is not, like London, the centre of a great nation; yet the institutions created in that time are half as numerous as in that great city. In the same period libraries have been instituted for the use of mechanics, apprentices, merchants' clerks, &c., and the number of volumes contained in the different public libraries has risen from about 30,000 to 120,000. In New York, Boston, and in fact in almost every city and town of the Union, we find similar results.‡

Societies of every description, and for almost every possible purpose, abound in all the cities and towns of the Union. The new cities of the west emulate those of the east. In Cincinnati,

\* "It appears doubtful whether the education of the blind has ever been carried so far as at present in the United States; and there is one set of particulars, at least, in which we should do well to learn from the new country."—*Martineau. Retrospect, Vol. II. p. 143. New York edition.*

† Within the same period have been produced in the same city an alms-house, probably unequalled in its cost, and in the arrangement for the comfort of its inhabitants—a state prison and a county prison, in both of which the system of solitary confinement has been adopted, causing a vast expense in the erection of the buildings.

‡ "The generosity of American society, already so active and extensive, will continue to be exerted in behalf of sufferers from the privation of the senses, till all who need it will be comprehended in its care. No one doubts this will be done."—*Martineau. Retrospect, Vol. II. p. 154. New York edition.*

with a population now of 37,000, but which, in 1820, did not exceed 10,000, there are *upwards of fifty societies* devoted to the alleviation of the sufferings of the human race, or to the improvement of their moral condition.

The same feeling which prompts the individual members of the cities, towns, and townships of the United States to unite in endeavouring to promote improvement, and to aid the distressed, prompts these communities to make provision for the aged and the infirm. In no part of the world are such persons better provided, as may be supposed from the numerous alms-houses, and the extent of land assigned to them. In the State of New York, the expenditure in their construction and improvement has been nearly a million and a half of dollars, and nearly the whole of this sum has been applied within the last thirty or forty years. In New England and Pennsylvania, we find the same state of things. In almost all we find provision made, or about to be made, for the careful treatment of pauper lunatics.

If we look to the penitentiaries, we find a similar result. In some cases, they are still such as are by no means creditable to those who have charge of them, but in most of the States they are in a condition of which the people have reason to feel proud. No expense has been spared in adapting them for the purposes for which they are destined—that of separating the criminal from society, and affording him an opportunity of improving his moral condition.\*

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In the last half century the population of the United States has increased more than 12 millions of persons. In the same time that of England and Wales has increased about 17 millions; that of France about 5 millions; while that of India has remained stationary.

The people of France and England increased upon the same surface, and their new population could benefit by the roads and canals—the school-houses—the churches—and the colleges of those who had preceded them, while the people of the United States expanded themselves over a vast surface, upon which they

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\* "In America, the progress of the reform of prisons has been of a character essentially religious. Men, prompted by religious feelings, have conceived and accomplished every thing which has been undertaken; they were not left alone; but their zeal gave the impulse to all, and thus excited in all minds the ardour which animated theirs."—*De Beaumont and De Tocqueville*, p. 93.

"A multitude of charitable persons, who are not ministers by profession, sacrifice nevertheless a great part of their time to the moral reformation of criminals."—*Ibid.* p. 94.

had to make roads and canals; to build school-houses and churches, and to found colleges for themselves. The first and second had a large accumulated capital, the latter had little or none. The first increased slowly in population; the second more rapidly; the third with great rapidity; yet commencing, as did the latter, almost entirely without capital, the provision for education is now greater than in any other, and the provision for remedying the evils that flesh is heir to, is also greater. Such could not be the case unless the amount of voluntary contribution had been *vastly greater* than in other countries, as the reader will be satisfied when he reflects that in the United States the four millions of 1790, and their descendants, have had to provide the means of education for the sixteen millions of 1838; whereas, in England and Wales, the eight millions of 1790 have had to provide for only fifteen millions in 1838. He must also recollect that the latter were already largely provided with institutions for education, while the former were almost entirely destitute.

If we desire a reason for this, we must look for it in the fact, that in the United States every man expends in his own way the product of his exertions. Lightly taxed, he finds his capital accumulating rapidly, and with his improvement of physical, there is an improvement in his moral condition. He is ready to aid in relieving the sufferings of others. He gives freely, because he knows that he produces largely and can readily replace what he gives. He is acted upon by the same motives that influence the people of that nation to which he is most closely allied, and he excels them only because he is so fortunate as to be freed from heavy taxation, the consequence of wars of the most absurd kind.\*

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\* "The Americans have great *earnestness of character*. \* \* \* Only let them fully apprehend the importance of an object, and you will see them move to it with a directness of mind, and a scorn of sacrifices, which would surprise weaker natures. \* \* \* I know of no country where there are more examples of beneficence and magnificence. The rich will act nobly out of their abundance; and the poor will act as nobly out of their penury."—*Visit to the American Churches*, Vol. I. p. 195.

"The universal moving power with an American is the desire of wealth, but it would be to deceive ourselves to suppose that he is not capable of pecuniary sacrifices. He has the habit of giving, and he practises it without regret, more frequently than ourselves, and more largely also; but his munificence and his gifts are governed by reason and by calculation. It is neither enthusiasm nor passion that opens his purse."—*Chevalier, t. II. p. 145*.

"It might be thought that among a people profoundly absorbed by the care of their material interests, misers would abound. Such is not the case. There is no meanness in the man of the south. It is sometimes found in the Yankee, but in

To an Englishman or an American, time is money; yet in no part of the world is so large a portion of that precious commodity given to the use of the public. In France, every man expects government to do for him. He will give no time to objects of public utility, although a large portion of it is of very small value to himself.

In England, the people manage a large portion of their own business, and we see societies instituted for the promotion of almost all objects of public interest. In the United States, where time is yet more valuable than in England, a still larger proportion of it is given to public matters, showing that *the higher the quality of labour—the greater the value of time—the greater is the disposition to contribute a portion of it towards all objects affecting the physical or moral improvement of our species.*

In the higher departments of knowledge, and in the maintenance of colleges, the French government grants aid, but little is done to promote the dissemination of knowledge among the people. The effect is what might be anticipated. Discoveries are made in France, that are so far in advance of the nation, or of their power to apply them, that they are totally useless until applied in England. The government orders busts and pictures, and builds palaces, but the people are poor, and can afford little aid to the arts.\*

In England, the government does little or nothing in aid of science or the arts, and *the natural consequence* is that the people do much themselves, and we find the Astronomical Society, the Geological Society, and others, prosecuting their investigations on the most liberal scale, while the arts are patronised to an extent unknown in any other country,† because, in most other coun-

no part, north or south, is to be found that sordid avarice of which the examples are so frequent in Europe.”—*Chevalier*, t. II. p. 159.

The reader will now judge of the propriety of the following question, so indicative of national prejudice, which we find in Mr. M'Culloch's *Principles of Political Economy*. “Has any one ever pretended to say that generosity formed a prominent feature of the national character of the Americans?”—p. 260. To say that liberality did not accompany peace, security, and prosperity, we should deem a libel upon the laws of nature. Illiberality is generally found where men are poor and oppressed—rarely where they are prosperous and free.

\* “Obliged to live with economy, it is clear that they cannot encourage the fine arts, for it is an expensive species of patronage.”—*Chevalier*, t. II. p. 361.

† “A house-agent, taking a friend of mine over a London house, the other day, and praising it to the skies, concluded with, ‘and when, sir, the dining room is completely furnished—handsome red curtains, sir, and twelve good ‘furniture pictures’—it will be a perfect nonpareil.’ The pictures were as necessary as the red curtains.”—*Bulwer's England and the English*, Vol. II. p. 207.

tries, the government expends so much that little is left for the people.

The United States have not yet arrived at the point that warrants the formation of institutions resembling many of those existing in England. The highest talent tends to centralize itself in London, and in that city is found the greatest division of scientific employments. The cultivators of astronomy and of geology are sufficiently numerous to have societies and to publish their own transactions, whereas, in the United States, those minute divisions of scientific labour cannot as yet take place. As population becomes more dense there must be a steady approach to the condition of England. As regards the patronage of art, the same remark may be made. Thus far, more has been done than in other countries that have laboured under the disadvantage of a widely scattered population, and from what has been done, and what is now doing, we are warranted in saying that the arts will experience as great and as universal patronage as they have ever done in any country. When it is recollected that the active men of the present day were born at a time when but four millions of people occupied the extensive territory of the United States—that at that time, the possessor of an income of \$3000 = £625, per annum, was a man of wealth, and that it has been necessary to create the schools, colleges, churches, and all other public works now existing—it is not surprising that as yet there has been little opportunity to patronise the arts of painting or of sculpture.

Here we find the same results that were stated at the close of Chapter VI., when treating of the *quality of labour*. An old and wealthy country can do much for science and art, and towards such countries there is a constant tendency of the persons most capable of distinguishing themselves in either the one or the other. In a new one there is not the wealth, nor can it be supposed that there would exist the taste, to a sufficient extent, to warrant us in expecting large contributions towards the advancement of either.

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There is one subject to which we now desire to call the attention of the reader, and in regard to which he may find the strongest illustration of the moral improvement resulting from the general ease of the people; we mean the contraction of marriage. Upon this head, we shall simply offer the views of a traveller upon whom we have already largely drawn—M. Chevalier.

“I have said that with the Americans, every transaction of life had relation to wealth; but there is one which, among us, possessing

strong affections, capable of loving, and generous, has generally a mercantile character, which it wants among them, that of marriage. *We buy our wives with our fortunes, or we sell ourselves to them for their dowries.* The American chooses her, or rather offers himself to her for her beauty, her intelligence, and the qualities of her heart; it is the only dowry which he seeks. Thus, *while we make of that which is most sacred a matter of business, these traders affect a delicacy, and an elevation of sentiment, which would have done honour to the most perfect models of chivalry.*"\*

We now submit to the reader the following propositions:

I. That with the increase of population and capital, man experiences an increased facility of obtaining the means of subsistence, and an increased power of maintaining and improving his *physical* condition.

II. That this improvement of his physical condition is attended by an increase in the facility of improving his *moral* condition.

III. That this improvement of moral condition is manifested by a constant increase in his disposition to aid in disseminating the benefits of instruction among his neighbours, and in providing

\* Tom. II. p. 160.

Let this be compared with the following passage from a countryman of M. Chevalier.

"That uniformity which reigns in their political world, is equally apparent in their civil society. The relations of man with man, have but one object—money; one sole interest—to get rich. The passion for money is born along with the dawning of intellect, bringing in its train cold calculations, and the dryness of cyphers. It grows, it develops itself, it establishes itself in the soul, and torments it without ceasing, as a burning fever agitates and devours the feeble frame of which it has gained possession.—Money is the god of the United States, just as Glory is the god of France, and Love of Italy."—*M. de Beaumont. Marie.*

It is singular that M. De Beaumont should not have remarked, that this desire of wealth is not connected with mean and parsimonious habits, but with desire of expenditure. In no part of the world do the labouring classes part so freely with the proceeds of their labour. Their wants are numerous, and the desire of supplying them renders them industrious. Industry enables them to supply those wants, and to have a surplus. They have before them the prospect of rising in the world, which cheers them on, and induces them to husband that surplus, and thus all accumulate more or less capital. There are thus brought together a great degree of industry, and a liberal expenditure, governed by the desire of permanent improvement of condition. Let M. De Beaumont compare the readiness with which an American labourer parts with money, certain of having it in his power to replace it, with the close economy of the peasant of France, who husbands his little stock, uncertain when it can be replaced, if parted with, and say which indicates the best condition of society. Let him read the work of *M. De Villeneuve*, and see the condition to which the "love of glory" has brought the people of France, and compare it with the condition in which the "love of money," or to speak more correctly, the *desire of improving their condition*, has brought the people of the United States, and judge between them.



food, clothing, or shelter for those who may be unable to provide for themselves.

IV. That where the increase of population and of wealth is prevented, there can be no improvement in the standard of living—poverty and wretchedness will abound—and there will be no disposition to alleviate the sufferings of those who are unable to work for themselves, as in India.

V. That where population and wealth increase slowly, there will be a slow increase in the facility of obtaining the means of subsistence; a slow improvement in the standard of living; with little disposition to contribute to the support of the aged and infirm, as is shown in France.

VI. That the more rapid the increase of population and of wealth, and the greater the facility of obtaining the means of subsistence, the higher will be the standard of living among the labouring population, and the greater will be the disposition among all classes to contribute to the support of those who are disabled by age or ill-health, and the greater will be the tendency to increase in the number of hospitals, dispensaries, &c., as is shown in England and the United States.

VII. That while the increased facility of obtaining the means of subsistence tends to diminish the number entitled to claim assistance, and to increase the feeling of independence, there is a constant tendency to increase in the disposition to grant aid, and constant risk of diminishing the feeling of independence.

VIII. That we find here two opposing forces, each tending to neutralize the other, and to produce healthy action.

IX. That wars and unproductive expenditure tend to prevent the growth of population and of wealth—to prevent improvement, physical and moral—to increase the number requiring assistance—and to diminish the disposition to render it.

X. That peace and moderate expenditure tend to promote the growth of population and of capital—to promote improvement, physical and moral—and to diminish the number requiring aid—while they tend to promote that kindness of feeling which forbids that any portion of the human family should be deprived of the means of living in comfort and improving their condition.

XI. That those who desire to promote the constant improvement of man in his feelings towards his fellow man, should endeavour to maintain peace—to diminish expenditure—and to *permit* all to accumulate capital.



## CHAPTER XIV.

## SCOTLAND.—IRELAND.

WE shall proceed now to examine briefly the policy and condition of several other portions of the eastern continent, with a view to ascertain how far the facts there observed tend to confirm the views we have submitted.

Insecurity existed throughout SCOTLAND, long after it had disappeared from England and Wales. The rebellions of 1715 and 1745 tended to continue it, and the necessary consequence was extreme poverty, such as we have already described.\* Within the last half century the habit of deferring to the law has gradually extended itself, and security has become daily more complete, although still by no means entirely so, being diminished by the same riotous tendency among the workmen so frequently displayed in England, and by other causes.†

With this increase of security, there has been a constant increase of capital applied to agriculture, manufactures, the improvement of roads, &c., but very extensively to agriculture, in consequence of the advantage enjoyed by the land owners of that country in being free from the burthen of tithes. While capital applied to the improvement of land in England must pay one tenth of the gross product to the Church, the land owner of

\* Vol. I. p. 65.

† "They set watches in the streets, and abuse everybody that comes, in the most shocking manner, even to taking their lives if it were necessary. Some years ago, there were several people almost destroyed by vitriol being thrown upon them by combined men."—*Evidence of W. Graham, of Glasgow.*—*Report of the Committee on Manufactures*, p. 335.

Great interest was recently excited at Edinburgh, by the trial of five cotton-spinners for illegal combination, assault, fire-raising, and murder, which commenced on the third of January, and was eight days in progress. The charge grew out of a strike for wages, and the accused were the principal officers of the union or combination which proclaimed the strike.—The murder is alleged to have been committed on a spinner, who continued to work after the strike was ordered. In the course of the trial, numerous and atrocious acts of violence were disclosed; and it appeared that two members of the union, who had committed acts of violence, were sent to the United States, at the expense of the union, to save them from justice. The capital charge was "not proven," but on the others the prisoners were sentenced to seven years' transportation.

Scotland retains for himself that tenth part, and the necessary consequence is that his capital increases rapidly.

In manufactures England is considerably in advance of Scotland. The Glasgow mills are stated to be, in productive power, much in arrear of the Manchester ones, as is proved by the circumstance of thirty or forty per cent. more being paid for the same produce of yarn in the former than in the latter place.\* A necessary consequence of this deficient production, is that the average of daily wages is lower in the former.

From a statement of the wages of persons employed in the cotton mills, April, 1832, compiled by Dr. Cleland, it appears that men on piece-work, at spinning, earn from 21s. to 27s. per week. Lads and girls earn from 12s. to 18s. per week.†

Agricultural wages in the lowlands are stated at £6 for the half year, with board and lodging, and in some instances the pounds were made guineas. If we take £12 per annum, as the usual rate, and add thereto only 5s. per week for board and lodging, we shall have £25, being nearly as much as is stated to be the ordinary wages of labour employed in agriculture in England. As we go northward, population constantly diminishes in density, and the inferior condition of the people proves the constantly increasing difficulty of obtaining subsistence,‡ until we arrive at Orkney,§ where we find a state of things resembling that of England in the fifteenth or sixteenth century.

\* Ure, p. 328.

† Report of Commons Committee, quoted by Baines, p. 442.

‡ Mr. Laing says of a district in Norway, that "it much resembles one of the small highland estates in the north of Scotland, with a great number of small tenants or cottars scattered over it," but that "*it wants the laird's mansion and farm, with the squalor and wretchedness of the turf-built hovels of our highlands.*"—*Residence in Norway*, p. 35.

§ The following passage from Sir Walter Scott's *Diary—Memoirs, Vol. III. Chap. VII.*—shows that in the Orkneys is now to be found the same minute subdivision that existed in Scotland when population was small, and when the superior soils only were cultivated.||

"The land in Orkney is, generally speaking, excellent, and what is not fitted for the plough, is admirably adapted for pasture. But the cultivation is very bad, and the mode of using these extensive commons, where they tear up, without remorse, the turf of the finest pasture, in order to make fuel, is absolutely execrable. \* \* \* On Lord Armadale's estate, the number of tenantry amounts to three hundred, and the average rent is about seven pounds each." Here population is thin—extensive commons exist—the superior soils only are cultivated—and there is universal poverty. The fisheries, which are neglected, would give employment and large wages to the whole population, were they possessed of proper capital. *Insecurity is the mother of poverty.*

|| See Vol. I. p. 67, ante.

## IRELAND.

Everything has been done to produce insecurity in Ireland. From the time of Henry II. to the revolution, her history is one of civil wars, persecutions for opinion, confiscations, murder, and rapine. The revolution, the object of which was the establishment of civil and religious liberty in England, was signalized by the establishment of penalties of the most rigorous kind for maintaining religious opinions differing from those of the majority of the people of that country.\* From that time to the present, Ireland has been a "scene of rude commotion." Government has failed to give security of person and property; it has denied to the possessors of commodities the right of exchanging them for others that were necessary to them, and thus has diminished the power of production, while the *proportion* of the product claimed for the maintenance of that government has been large, and the mode of assessing those contributions has had the effect of throwing the burthen almost entirely on the labourer.

The producer of wool was denied the liberty of exchanging it with foreigners. The producer of cattle was denied the right of exchanging them with his fellow subjects of England. The owner of capital was denied permission to apply it to the conversion of wool into woollen cloths,† in order to compel those who required blankets or woollen cloths to procure them from England. Neither was he permitted to use his own ship for transporting the products of his countrymen to the colonies of America, or of Asia, being compelled to perform all his exchanges in the ports of England, the people of that country be-

\* We take the following statement from a journal that advocates the continuance of disqualification for opinion, and that is not disposed to exaggerate the errors of the days of the revolution.

"The chief disabilities imposed upon the Catholics during the reign of William and Anne, are the following. *They could not hold leases for more than thirty-one years; could neither purchase lands, teach publicly in schools, have a horse of more than £5 value, vote for members of Parliament, nor become barristers, or clerks, or attorneys, without taking the oath of allegiance and supremacy; hold any office under the crown, or become magistrates in any town, without taking the sacrament, as prescribed by the English test act, according to the usage of the Church of England; nor take property from a Protestant by descent, bequest, or devise. Upon death, their inheritances were equally divided among their children; and all regular clergy, friars, jesuits, and Catholic bishops were enjoined to quit the kingdom. Catholics were in still more general terms deprived of the elective franchise, by an act passed in 1727.*"—*Quarterly Review*, No. CXL. p. 125. *Am. edition.*

† King William, in one of his speeches to Parliament, declared that he would "do every thing in his power to discourage the woollen manufacture of Ireland."

lieving, unfortunately, that to *decrease* the powers of their fellow subjects, was to *increase* their own.\*

Ireland, although thus deprived of security by the measures of those who were charged with the administration of her affairs, has enjoyed security from invasion, and has not been, like Germany, Italy, the Netherlands, and France, the arena upon which were to be settled the disputes of contending nations. Her people have been withdrawn to carry arms in Spain, but have not been required to combat with invaders in defence of their homes and their firesides.

The consequence has been a slow but nearly steady improvement in the condition of the people, which is not only greatly superior to what it was a century since,† but even superior to that in which the inhabitants of the lowlands of Scotland, now so prosperous, were in the middle of last century.‡ During the present century, improvement has been most rapid,§ as is indicated by the following facts:

The official value of imports

was, in 1801, - £9,240,000. In 1825, £17,200,000

The official value of exports

was, in 1801, - 8,100,000. In 1825, 18,500,000||

\* "It is a strange thing that it should not be admitted in England, *that one nation has no right to govern another nation, and that such government can know no other law than that of force, accompanied by robbery and tyranny*; that the tyranny of a people, is of all tyrannies the most intolerable, and that which leaves the least resource to the oppressed, because a despot is arrested by a regard to his own interest, he is restrained by remorse, or by public opinion, but a multitude calculates nothing—it has no remorse—it decrees to itself glory, when it deserves to feel only shame."—*Œuvres de Turgot, t. IX. p. 379.*

† "In 1728, when the number of people did not exceed a fourth of the total now existing, there appears to have been comparatively as much distress, occasioned by want of employment, as there is now."—*Report of the Commons Committee on Irish Public Works.*

‡ See Vol. I. p. 67.

§ "The investigations and inquiries in which I have now been engaged, have lead me to the conviction that the condition of Ireland has, on the whole, during the last thirty years, been progressively improving. It is impossible to pass through the country without being struck with the evidence of increasing wealth, which is every where apparent, although of course it is more easily traced in the towns, than the open country. Great as has been the improvement in England, within the same period, that in Ireland, I believe, has been equal."—*Report of George Nicholls, Esq., on Poor Laws, p. 4.*

Sir Walter Scott, speaking of the condition of Ireland, during his tour in 1825, says—"Well she is not, but she is rapidly becoming so. There are all the outward and visible tokens of convalescence. Every thing is mending; the houses that arise are better a hundred fold than the cabins which are falling."—*Memoirs, Vol. VI. p. 64.*

|| "The exports of Ireland to the single port of Liverpool, in 1833, were £7,456,692."—*Speech of Mr. S. Rice, April, 1834.*

During this time the cotton manufacture had grown to such extent, that while in 1801 only 1,256 yards were exported, in 1825 the export amounted to 10,567,458 yards, and the export of linen rose from 38 millions to 55 millions.\*

	1821.	1831.
The tonnage conveyed on the Grand Canal, was	142,622	237,809
“ “ Royal Canal, was	108,933	129,844†

The shipping engaged in the coasting trade, that arrived in the port of Londonderry, in the year 1826, amounted to 32,632 tons, but in 1834, had increased to 63,726 tons. That engaged in the foreign trade, remained stationary.‡

From 1821 to 1833, the amount of Irish capital invested in the British funds, was £10,307,108.§

In 1834, the depositors in the savings' banks of Ireland, were 53,179 in number, and the amount of their deposits was £1,450,766,|| being an average of £27 6s. to each individual.¶

These facts, while they prove a steady improvement in the power of production, and in the power to accumulate capital, prove also a great deficiency of the confidence in the security of person and property that is necessary to give to the people of Ireland the advantages enjoyed by their fellow subjects of Scotland and of England. It is impossible not to be struck with the great want of capital that prevails throughout Ireland, as manifested in its defective machinery, yet here we find almost a million of pounds, per annum, *transferred to England*, where capital abounds, *instead of borrowing it from England*, as is done by the people of the United States. Were security complete, millions that now travel across the Atlantic would be invested in Ireland, while her own accumulations would remain at home.

We come now to consider the actual condition of the people

\* Porter's Tables, Part III. p. 318.

† Ibid. p. 323.

‡ Ibid. p. 425.

§ Ibid. Part IV. p. 325.

|| The following statement is from a pamphlet by Mr. Pratt, the barrister appointed to certify the rules of savings' banks and friendly societies, and shows a marked improvement in the condition of the people of Ireland.

“The increase in the deposits of the Irish savings' banks, has been proportionably much greater than in the English.

“In England and Wales, the augmentations since 1831 do not exceed 8 per cent. of the gross sum invested, while in Ireland the increase has been above 25 per cent. Of course it will be said that the condition of the Irish people being inferior to the English, there exists greater room for improvement in the one case than in the other, and that this circumstance explains the more rapid expansion of saving's banks in Ireland. The observation is undoubtedly true, but it leaves the fact of the increasing prosperity of the sister kingdom unshaken. It is clear that Ireland is not only in a state of progressive improvement, but that she is improving at a quicker rate than this country.”

¶ Ibid. p. 10.

as compared with that of other nations. We have already submitted\* to the reader the opinions of a recent traveller, Mr. Inglis, accompanied with a statement of our belief that his views were erroneous. We now give the statement of one still more recent.†

"In the county of Antrim, 2000 labourers were employed by the district surveyor, in constructing a rail road, and their wages were 9s. per week: the ordinary pay of such labourers, in other parts of the country, being 6s.

"The average rate of agricultural daily wages throughout Ireland is about 8½d., the highest wages being 1s., the lowest 5d.; for farm servants, who lodge and feed themselves. Labourers by the job, and those who get in the harvest, are paid rather more. About Dublin, Cork, and Belfast, in Louth, and through great part of Down and Armagh, the wages of a labourer employed throughout the year, are 1s. in summer, and 10d. in winter; wages being universally lower in winter than in summer. In Antrim they are very variable, but on the coast are the same as in Down and Armagh. In the county of Derry, they average 10d. in summer, and 8d. in winter: in Sligo, 9d. and 7d.: in Donegal, Mayo, Galway, and Kerry, they average 7d. and 5d., these being the lowest wages known in Ireland. Distress is by no means so great in the last four counties as in a large proportion of the more fertile districts: indeed, the agricultural population there appears comparatively comfortable.

"In Connamara, and other parts of Galway, and in the pasture lands of Mayo, Donegal, and Kerry, it is customary for the herdsmen, who are employed during the summer on the hills, to migrate to the sea-coast in winter, and to live there houseless, and dependent on the charity of the fishermen, till the return of spring.

"Following the line of coast, wages rise again gradually as the distance from the capital decreases, but with considerable irregularity. In Kerry, as already noticed, wages are very low: in Cork, the adjoining county, they are high: in Waterford, they fall again. In Wexford, a slight advance is made, and in Wicklow, particularly in the north-east, they are as high as in any part of Ireland.

"These statements refer to farm servants, neither fed nor boarded by their masters: if they live with them, their highest wages are 5d., more usually 4d. The custom is more common in the remote districts, where men servants receive very low wages. In Connamara, the expense of a farm servant is estimated as follows:

His keep throughout the year,	-	-	£ 2 10s. 0d.
Clothing, at most,	-	-	1 1 0
Wages,	-	-	3 0 0
			<hr/>
			£ 6 11 0

\* Vol. I. page 59.

† Woronzow Greig, Esq., F. R. S., Secretary of the Statistical Society of London.

"Women's wages in Ireland average about 4*d.* daily: in Galway, Limerick, and other pasture counties, they may earn 2*d.* or 3*d.* by knitting, while they tend cattle. In Connamara, the women and children are all employed in knitting stockings. Spinning is the most profitable female labour, as a skilful spinner may earn by it 8*d.* or 9*d.* daily. The Irish labourer could not maintain himself and his family without his potato ground.

"The average return from an acre of the richest land planted with potatoes is 8*l.*, clear of all outlay for rent and manure, but including the cost of labour and seed. The rent paid for such land in the county of Limerick is also 8*l.*, the landlord providing and laying on the manure. The better sort of labourers keep a cow, but the most common appendage to the Irish cabin is the pig, which leads a life of starvation until it is full grown, when it is sold to pay the rent.

"Mr. Greig considers the condition of the Irish labourer, wretched as it is, superior to that of the Pole, the Russ, the inhabitant of the Italian Maremma, or the Sicilian. His wages are lower than those of the Italian, even in Lombardy, but higher than those of the Sicilian, Pole, and Russ."\*

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The population of Ireland, in 1831, was 7,767,401, among whom	
were families chiefly employed in Agriculture,	884,339
“ “ Trade, manufactures,	
or handicraft,	249,359
All others, including capitalists, bankers, professional	
and other educated men, 61,514 in number,	251,368
	<hr/>
	1,385,066†

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The average size of a family being nearly six persons, we may assume for that of agricultural families at least that number, being the same as ascertained in England,† and making five millions of persons dependent chiefly on agriculture for subsistence.

The number of males of 20 years of age and upwards was 1,867,765, being nearly one fourth of the whole population. It follows, of course, that among that portion engaged in agriculture there must be about 1,250,000 males, or about 1½ to each family. The number of *occupiers* not employing labourers, was 564,274.

If we suppose the latter to find employment on their own land for the males of their own families, the number so employed

\* Proceedings of Statistical Society, p. 8.

† Porter's Tables, Part III. p. 447.

‡ See page 297, *ante*.

would be - - - - -	789,000
Adding thereto the occupiers employing labourers, - - - - -	95,000
And two fifths for their own male children, - - - - -	38,000
	<hr/> 133,000

We shall have a total of 

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922,000

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being the number of males composing the families of the occupiers, and leaving 328,000 agricultural labourers not occupying their own lands, and dependent exclusively on hire.

The number of acres cultivated in Ireland is estimated at - - - - - 14,603,473

The occupiers *not employing labourers* being 564,274, and holding, on an average, five acres, each, would require - - - - - 2,821,370

Leaving for labourers dependent on hire, acres, \*11,782,103

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And giving about 36 acres to each individual, while in Great Britain there are only 44 acres for each labourer dependent on hire,† being but eight acres more than in Ireland. It is obvious that there can be no very great surplus of such labourers, except at occasional times.

In regard to the small occupiers it is stated that,

“A very large portion of them are weavers; another large portion are market dealers in corn, butter, and pigs, forming a most extensive and useful class in society; a great number form an inferior class of dealers, who travel with carts of salt, flaxseed, turf, coals, and fish; great numbers are carriers, employed in conveying merchandise from the ports to the country shopkeepers; country butchers, masons, carpenters, and the majority of the fishermen, are landholders. A portion of these landholders work also, for hire, as agricultural labourers, but their number is small, except in harvest time; for this reason, the majority of farmers' labourers must hire potato ground from their employers, as an equivalent for wages, and this, while it secures the labourers' families against want, and so far prevents an improvident use of earnings, enables the farmer to get more work performed than if the wages were all to be paid weekly in cash, and therefore induces

\* Stanley's Remarks on the Government Measure for establishing a poor law in Ireland. These views are derived from Mr. Stanley's pamphlet, although the quantities are not always the same. We estimate the number of agricultural labourers higher than he has done.

† Stanley, page 8.



the employment of labourers who are not landholders.”\* Mr. Stanley adds, that “the only landholders employed as hired labourers in considerable numbers, are those who migrate annually to England and Scotland to assist in harvest work, by which they earn the means of paying their rents, and then have all the produce of their land for their subsistence and to exchange for clothing.”†

We come now to examine into the condition of these small occupiers. In the county of Mayo, wages are stated at 5*d.* to 7*d.*, and in that county is the parish of Burrishoole, containing 2041 families, of which fifty only are not occupiers of land, and those fifty families furnish seventy labourers dependent on hire, out of a population of 10,553. Of these 2041 families, 1123 possess cows. Here we have no evidence of the extraordinary poverty and wretchedness described as existing throughout Ireland, but on the contrary find a state of things superior, we are disposed to believe, to what exists in a large portion of France.

In passing through Galway‡ and Mayo,§ and generally in Con-

\* Stanley, p. 10.

† Ibid.

‡ GALWAY.—At the Claddagh, among a colony of 1700 fishermen,—“I found the cabins in this colony very far superior to those of any country labourers I had seen. An air of decency was visible about them all.”—*Ireland in 1834, Vol. II. p. 27.*

CONNAMARA.—“I should certainly say that the peasants of this mountainous district have the means of being comfortable. \* \* Here, as elsewhere, there are some small holders of land under the farmers, and they are poor enough.”—*Ibid. p. 45.*

BALLINAHINCH.—“I found them generally in a situation of comparative comfort. \* \* All had one, two, or more cows; all had turf for nothing; and all had the privilege of fishing during a certain season.”—*p. 61.* “Clifden is only fourteen years old, and is a wonderful place for its age. Fifteen years ago, not a house was built; now it numbers upwards of a hundred slated, and, perhaps, half as many thatched houses.”—*p. 71.*

In another part of Connamara, Mr. Inglis found numerous cows, pigs, and all kinds of fowls, &c. “This I had rarely found in Ireland, and it certainly bespoke a very favourable condition.”—*p. 85.*

OUCHTERARD.—“Many were so miserably off, that the parish priest had been obliged to become security for the price of a little meat, to prevent them from starving.”—*p. 39.*

GALWAY CITY.—“An improving town, with every probability of still further improvement. Provisions very cheap. The wages of a man servant, £10 = \$48, and of a female servant, half that sum.”—*p. 34.*

§ MAYO.—“As I approached Westport, the country greatly improved in cultivation. More cattle, too, were seen on the hill sides; wood began to assume a more respectable growth, and cottages became frequent.”—*p. 96.*

WESTPORT.—“It is certain that there is much evidence of the poverty of the surrounding country.”—*p. 99.* “This poverty is chiefly found in the lower parts of it; not so much in the mountainous districts.”—*p. 98.*

BALLINA.—“I have scarcely any where in Ireland seen more proofs of a pauper population.”—*p. 119.*

naught, as well as in Ulster,\* Mr. Inglis found the condition of the people such as accords well with the above statement.

The reader has had before him the rate of wages in Lyons, and that he may compare those of the people of France and Ireland, we now give him those of Londonderry in 1832, as follows :

Labourers, per week,	-	-	8s. 0d. =	\$1 92
Shoemakers, “	-	-	12 0 =	2 88
Tailors, “	-	-	15 6 =	3 72
Carpenters, “	-	-	16 0 =	3 84†

The prices of wheat, 11s. 3d. per cwt.; of oat-meal, 8s. 9d. per cwt.; and of potatoes, 2d. to 2½d. per stone of 14 lbs.

We are disposed to believe the production of Ireland greater for its population, than that of France. On the two canals of the former, the quantity of merchandise transported, as marked by the toll received, was greater than in the latter was transported *on all its canals and rivers*, having regard always to the difference of population. Thus in Ireland, the tolls of 1828 to 1831 averaged more than £48,000, to equal which those of France should be £200,000, whereas, according to M. Chevalier,‡ with 2,500 leagues of navigation, the tolls, which are said to be high, do not exceed £160,000.

The power of accumulation appears to be greater in Ireland than in France. In the four years from 1830 to 1834, the amount deposited in the savings' banks of the former *increased* £545,000 = 13,600,000 francs, which would give for the population of France about 55 millions, being two-thirds as much as the whole amount on deposit in 1836.§ The growth of four years in Ireland is therefore greater than that of ten years in France.

The number of paupers in Dublin, with a population of 284,000, is estimated, by Mr. Stanley, at 5,646, and he believes the *proportion* in that city to be twice as great as in the rest of Ireland. According to this view, the total number would be 82,806.||

SLIGO.—Sligo is a decidedly improving town. “In the general aspect of the population I marked an improvement.”—p. 128. “A large proportion of the men wore clean linen shirts.”—p. 129.

At Boyle, in Roscommon, on the borders of Sligo, “I should say of the agriculturists of this part of Ireland, generally, that they are able to pay their rents and live off their land.”—p. 141.

\* IN ULSTER, we find at Lifford, the people “clean and tidy—no rags.” At Enniskillen, all is improving. At Londonderry labour is worth 7s. per week. At Belfast, boys earn 3s. to 4s. 6d. per week; weavers, 8s. per week; and labourers, 1s. 3d. per day.

† Porter's Tables, Part III. p. 400.

‡ Tom. II. p. 511.

§ Page 239, *ante*.

|| Remarks, p. 18.

It is probable that this number may be below the truth, but it will admit to be greatly increased before it shall equal the number that exist in France,\* in which nearly two millions are described as being in a state of *permanent destitution*.

The allowance to the pauper enables us to form an estimate of the standard of living among the people at large. In England, he has more than in France or Germany can be obtained by a majority of the *mechanics*. In the United States, more than in England. On a former occasion, we showed that in France the average allowance did not exceed five francs per annum for each person who received assistance. Many of them are no doubt temporary applicants, but a very large proportion must be permanent, and the food they receive must be of a most inferior kind. In Dublin, the Sick and Indigent Room-keeper's Society relieved 662 persons weekly, at a daily cost of 2½d., equal to nearly 100 francs per annum. If we suppose the average period for which they were relieved to be only one fifth of the year, the average would still be about 20 francs per annum.†

In the parish of Burrishoole, to which we have before referred, it is stated, "that when their stock of potatoes fails them, the general rule is that the wives and families beg *in a remote part of the country*—strangers similarly circumstanced, coming into this parish. \* \* \* *The men generally remain at home, and never beg, at least publicly.*" Were poverty as universal in Ireland as is represented, the men would not remain at home, nor would the wives resort to "a remote part of the country" to beg. Let the reader now compare the situation of the west of France‡ with this picture of the west of Ireland, and judge for himself in which production is greatest.

In another fact of considerable importance, we find evidence of a higher productive power than exists in France. The people of Ireland *can and do emigrate*, and the power to do so is evidence that they obtain more than is necessary for their subsistence. In France, there is little emigration, even from one part of the kingdom to another, because of inability to incur the expense of change.

\* See page 212, *ante*.

† Cost of dieting a pauper at Waterford, 1½d.

Breakfast, 8 ounces of oat-meal,

1 pint of new milk.

Dinner, 4½ pounds potatoes boiled,

1 pint of sour milk.

Bicheno. *Ireland and its Economy*, p. 244.

‡ See page 212, *ante*.

It is impossible to compare the mass of the immigrants from Ireland to the United States, with those who come from most parts of the continent, without being convinced that the former live better at home. They are superior in all respects. A recent writer, who examined them carefully, *at home*, says, and we think with great truth, that "to compare them with English labourers, is to compare them with a class to whom they bear no resemblance; but *if they be compared with the peasants of the continent, they will be found to be their superiors in intelligence, skill, and enterprise, and their superiors in industry, economy, and virtue.*"\* That such is the case, is, we think, proved by the general chastity of the females,† so different from what we have observed in France, and by the universal desire for education,‡ so different from the apathy and distaste for instruction existing in that country.§

Although we have thus endeavoured to show what is the position which the people of Ireland occupy in relation to those of the continent of Europe, our main object has been to show what have been the effects of continued insecurity in preventing the improvement that would otherwise have taken place there, as it has done in England and in Scotland. Production is small, and the *proportion*|| of the product allotted to the capitalist is large, yet its amount is small,¶ as must always be the case when the *quality* of labour is low, in consequence of insecurity or great unproductive expenditure by which the accumulation of capital

\* Bicheno.

† "The inviolability of the marriage vow, the chastity of their females, the affection between children and parents, the charity of the poor to the still poorer, and generally the fulfilment of the social duties, are virtues in which the Irish are conspicuously eminent."—*Bicheno*, p. 193.

‡ "There exists among the people a voracious appetite for instruction."—*Ibid.* p. 291.

§ See page 188, *ante*.

|| Ten pounds per acre is sometimes paid. Two pounds to five pounds not unfrequently.

¶ The total rental of Ireland is estimated at £12,715,478, being an average of 12s. 9d. = \$3 06 per acre."—*McCulloch's Statistics*, Vol. I. p. 543.

"The gentry of Ireland are reaping the harvest they have sowed. They sowed the wind, and they are reaping the whirlwind. Their mansions are seen dilapidated and deserted throughout the country, their lands abused, their tenantry alienated by exactions, and made vindictive by oppressions, their estates involved in litigation, impounded in chancery, charged with incumbrances, and rendered unsafe to purchase, by irremediable flaws of title."—*Bicheno's Ireland and its Economy*, p. 130.

is prevented. The landlord and the cultivator can divide among them only the product, and if production be small, rents cannot be high, although the former may take the chief part for his share.

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It would be difficult to find a case that could more strongly confirm the doctrine that we have offered for the consideration of the reader, than is to be found in Ireland. Her soil is fertile; she has fine rivers; the machine, as it came from the hand of nature, is of the best quality, and capable of finding employment for an immense population; yet the proprietors of it, not aware of the harmony of interests between the owner and cultivator, have pursued a course that keeps themselves and their tenants poor. She has all the advantages that nature could give her, but man has done all that was in his power to prevent the enjoyment that should arise from them.

Her situation is often ascribed to the concentration of property in the hands of individuals. There is no doubt that some of this property, if divided, might be rendered much more productive, because ten persons, owning each one thousand acres, could give it more attention than one man who owned the whole ten thousand acres. It is, however, as a general rule, erroneous to ascribe any injurious effect upon the community to the payment of rent to any certain person, or persons. It is a very common error to suppose that if the lands were divided, rent would cease to be paid, but this arises from a misconception of its nature. *Whatever sum is realized by a man who is cultivating his own lands, over and above that for which he would be willing to bestow the same time, attention, and capital, on the lands of another, constitutes rent.* He pays, we will suppose, this day, one hundred dollars rent for a farm of fifty acres. The next day he purchases a farm of the same amount for two thousand dollars, upon which he pays interest until he can pay the principal. *That interest is rent.* In the course of a short time he realizes enough to enable him to pay off the mortgage. Thenceforward he receives the one hundred dollars as interest, or rent, of his own capital. If the value of the farm increase, so that he can exchange it for four thousand dollars, his rent will rise to two hundred dollars, and unless accompanied with an increase in the value of its product, the difference will be a deduction from his wages. He will be misapplying the property, in raising cabbages from it, when it should be converted, perhaps, into building lots. Under such circumstances, if he can obtain elsewhere a farm that will be equally productive,

and for which he will have to pay only one hundred dollars, he will sell or rent the one, and hire or purchase the other, by which his rent will be reduced again to one hundred dollars. Rent is therefore paid in all cases where the product will justify it, and it is a matter of little importance to the people at large *to whom* it is paid. If Mr. Martin, of Galway, whose possessions were so immense, had divided it among any ten, or twenty or thirty of his neighbours, of what advantage would it have been to the cultivators? The ten, or twenty, or thirty, persons would have been benefited, but the tenants would have paid as much rent as before. If he had divided it among the occupants, each would have paid rent to himself, but there would be as much propriety, and probably as much advantage, in dividing a cotton mill among the persons who worked in it. If such division were made, the concern would go to ruin, and the people who had been accustomed to derive wages from it would probably find that their apparent wealth would be real poverty. They would want the head, the point of union, that had made the capital and the labour productive, and which had been accustomed to receive a certain portion of the proceeds for performing a certain portion of the duty. Among the numerous attempts at manufactures by co-operative societies, we scarcely know of one that has had success, for want of this head. The capital is furnished by the members, instead of the capitalist, but there is no one whose peculiar interest is to see to the profitable employment of it, and ruin speedily ensues. If they were to select one of their number as a head, and let him have the use of their capital, paying them a portion of the profits in the form of interest at six per cent., it would then be to his interest to exert himself to make it productive. If they wished in this way to secure the services of a man of ability they would be required to make up an amount sufficient to enable him to realize from its use a liberal compensation for his time; but the society would cease to be co-operative; the members would cease to be partners; they would return to their original condition of receivers of wages; in which capacity they would, in all probability, receive higher compensation without capital, than as members of the society they had received with it. For the same reasons it would be better to have the land in the possession of an active, intelligent and economical landlord, who fully understood his interest, and who would expend the proceeds in its improvement, than to have it divided among people who, never having been

accustomed to have property, were unfitted for its good management.

We have already noticed an error of a contrary kind, that is not unfrequently met with. Many writers are accustomed to ascribe the poverty of the cultivators of France to the very minute division of property in that country. They forget that if better means of employment offered those subdivisions would not take place. If capital were allowed to accumulate in France the rate of wages would rise, and the larger portion of those now employed in cultivating their few acres of land would find it to their interest to work for others. The fact referred to is a *consequence* of poverty and *not a cause*.

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The evils under which Ireland labours are insecurity and the unproductive expenditure of a very large proportion of its products. Both tend to prevent the accumulation of capital, while taxes thereon in the form of tithes forbid its investment at home, and drive it to England or the United States in search of employment. If the landholders of Ireland understood their true interests, they would see that residence upon their estates and attention to those interests would profit them most; that a settlement of the tithe question, permitting the investment of the proceeds of their lands in improvements upon them, and upon the roads leading to market, would tend to increase their value; that the improvement of the condition of their tenants would tend to render person and property secure; that security would cause increased production, increased growth of capital, and perhaps transfer of capital *from* England, to give employment to the now cheap labour of Ireland; that such increase of capital would cause the mines, the water powers, the fisheries, and other natural advantages of Ireland, now dormant and valueless, to be as profitable as are those of England; that while the condition of the people of Ireland would be steadily improving, they themselves would be reaping the advantages, and that the now poor holder of large quantities of rich, but waste, lands in Ireland, might take place at the side of the rich owner of the cultivated lands of England.\* Were they to pursue this course, they would do more

\* "Mr. Nimmo has given evidence, the result of surveys and extensive experience, that there are several millions of acres of waste in Ireland, which would repay at least ten per cent. on the capital expended in improving them. Mr. Griffith says, that in the neighbourhood of the new roads lately made by government, 'the value of land has everywhere much increased, and in some cases more than double the rent has been offered.' Wherever, indeed, roads or canals have been



good to their tenants and their country, than by distributing their lands. Were they to do so, it would soon be found that the complaints of Ireland would redress themselves. Increased capital would produce increased demand for labour and increased

opened through any of the neglected tracts of country, (whole districts of which yet remain almost inaccessible), improvements of the most valuable nature are found to follow with the utmost rapidity: houses start up, bogs are reclaimed, quarries opened, enclosures formed, cultivation improved and extended, and every indication of active industry and increasing wealth displayed, where all before was barrenness and torpor. The moral improvement has been as sudden and remarkable. Idleness, turbulence, vice, and crime, have given place to habits of exertion, prudence, order, and civilization. Mr. Griffith states of one district,

"In proof of the general tranquillity which remunerative employment has introduced into the country, I shall merely add, that in the year 1822, there were large garrisons in the villages and towns of Newmarket, Kanturk, Millstreet, Castle Island, Listowel, Abbeyfeale, Glynn, Newcastle, Drumcullagher, and Lisacov, the whole of which are situated on the borders of the then inaccessible district. At present, with the exception of Newcastle, there are no troops in any of those towns; and the same persons who formerly were engaged in night marauding parties, are now beneficially employed in cultivating their own farms, and have become quiet and useful members of society.' And of another place—'Since the works were begun, no outrages have been committed in the mountains; in the commencement we had much trouble with the labourers, who seemed to think they should have everything their own way, and refused to work by task or measurement, according to the system laid down by me, and demanded to be employed by the day; but, by patience and perseverance, we at length overcame their prejudices, and, on finding that when they worked fairly, they always earned good wages, they gave up their opposition, and now prefer my system to their own, and none of our practised hands will work by the day, who can get employment by task.'

"Above all, we call the attention of the friends of Ireland to the statement of Mr. Wye Williams, who, on the authority of several concurrent facts, declares he feels himself warranted in the opinion, that 'the judicious and careful expenditure in Ireland, of any given sum of money, in opening avenues for the interchange of the produce of industry, will be repaid, at the end of seven years at farthest, in an annual increase of the government revenue, equal to the whole sum expended. In other words, that the increased production consequent on this outlay, will bring in to government a profit of cent. per cent.; and as the share which falls to the revenue can scarcely reach one tenth of the whole gross increase of the wealth, the country at large will reap annual profit in this mode of at least 1000 per cent. on its expenditure; every 100*l.* so laid out occasioning the creation of a permanent income of 1000*l.* a year to the inhabitants of the district through which the road or canal is carried!' "*Quarterly Review*, No. 92, pp. 401, 402, 403.

Unfortunately, a very small portion of the landholders have the good sense to pursue the course thus marked out, although they take the last possible farthing of rent from the unfortunate cultivator. The following extract will show the means that are resorted to, in some cases, for the purpose of extracting a portion even of the miserable pittance that remains.

"I had heard, even in England, of the wretched condition of a town in the county of Kilkenny, called Callen; and finding that this town was but eight miles from Kilkenny, I devoted a day to Callen. I never travelled through a more



wages. The number of claimants for land would be diminished; each would have a larger portion for cultivation; production would be increased; and, while the *proportion* allotted to the landlord was less, the *quantity* would be greater than it had previously been. The amount remaining with the tenant would be greater, enabling him to improve his cultivation, and increase his product, and a few years would see him pay high rents, without feeling that they were oppressive. Such has been the course of improvement in Scotland, which, but a little more than half a century since, was in a worse condition than that of Ireland at the present day.

Numerous writers have proposed as the remedy for the ills of Ireland, *emigration*, by which they would secure "an enlargement of the field for the employment of population and capital;,"\* but a more simple one is within their reach. Instead of the expenditure of a million per annum, in the unprofitable employment of "bridging the Atlantic,"† for the purpose of sending annually two hundred thousand persons to Canada, who, arriving in such numbers, would be injurious to all who are already there, because capital would not cross the *bridge* with them; we should propose a diminution of the expenses of government, and a settlement of

pleasing and smiling country than that which lies between Kilkenny and Callen; and I never entered a town reflecting so much disgrace upon the owner of it, as this. In so execrable a condition are the streets of this town, that the mail coach, in passing through it, is allowed twelve minutes extra; an indulgence which can surprise no one who drives, or rather attempts to drive, through the street; for no one who has the use of his limbs, would consent to be driven. And yet, will it be credited, that a toll is levied on the entrance into the town, on every article of consumption; and that not one shilling of the money, so received, is laid out for the benefit of the town. The potatoes, coal, butter-milk, with which the poor wretches who inhabit this place supply their necessities, are subject to a toll, which used to produce 250*l.* per annum; but which, having been resisted by some spirited and prying person, who questioned the right of toll, the receipts have been since considerably diminished. It was with some difficulty that I obtained a sight of the table of tolls; but I insisted on my right to see it; and satisfied myself, that *potatoes and butter-milk, the food of the poor, pay a toll to Lord Clifden*, who, out of the revenue of about 20,000*l.* per annum, which he draws from this neighbourhood, lays out not one farthing for the benefit of his people.'

"Lord Clifden is the more reprehensible, since he occasionally visits the country, and is not ignorant of its condition. It is true, that his lordship drives as rapidly through his town as the state of the street will admit; but it happened, fortunately, that upon one occasion, the carriage broke down; and this patriotic and tender-hearted nobleman, was forced to hear the execrations of the crowd of naked and starving wretches who thronged around him."—*Ireland in 1834, by H. D. Inglis*, pp. 97, 98, 100.

\* Quarterly Review, October, 1835, p. 215, American edition.

† Ibid.

the tithe question. Were these adopted, the labourer would no longer be obliged to spend his summer in England, hoping to find employment that will give him the trifle of wages necessary to pay his rent, because he would find employment and good wages at home. The landlord would likewise be benefited, and after a very few years the same peace and harmony would obtain that exist in the United States; and while wages were high and the labourer comfortable, the exchangeable value of property, and its rent, would be immensely increased. By such means the object in view would be attained much more certainly than by emigration, and the people, instead of being compelled to leave their homes and their families, would remain in the land of their birth, and the property they accumulated, would go to swell the capital of Great Britain, and by paying its share of the public burthens, lighten the pressure upon others. There would then be

“No more desolating accounts from counties Clare or Mayo, of the ejectment of fifty cottier families from their farms and hovels—for arrear of rent, or for the sake of enabling the landlord to enlarge his park, or to turn his small farms into large ones—having been followed, as a thing of course, by the murder of the agent, the burning of the new tenants in their beds, and the general outbreak of a Rockite insurrection, requiring the Insurrection Act, and a couple of regiments, and half a dozen executions, to quell it! No more harrowing statements of the population of whole districts being habitually compelled, for want of work and food, to eke out their *single* meal of dry potatoes with bitter and unwholesome weeds, *until their very blood turns yellow!*”\*

It is not unusual to attribute the evils under which Ireland labours to the absenteeism of the landed proprietors, who spend abroad the incomes of their property, and we, therefore, propose to inquire the extent of influence exercised by it.

Mr. McCulloch, on the one hand, denies that it can produce any injurious effect. Mr. Senior, on the other hand, insists that it must greatly affect “those countries which export raw produce.”† There is, however, no country whatever, which exports

\* Quarterly Review, October, 1835, p. 215, American edition.

† “In a country which exports raw produce, wages may be lowered by such non-residence. If an Irish landlord resides on his estate, he requires the services of certain persons, who must also be resident there, to minister to his daily wants. He must have servants, gardeners, and perhaps gamekeepers. If he build a house, he must employ resident masons and carpenters; part of his furniture he may import, but the greater part of it must be made in his neighbourhood; a portion of his land, or what comes to the same thing, a portion of his rent, must be employed

"raw produce" to so great an extent as the United States, while in no country whatever is the presence or absence of the proprietor of capital of so little importance. Mr. Senior's view not being universally true, cannot, we think, be admitted.

in producing food, clothing, and shelter for all these persons, and for those who produce that food, clothing, and shelter. If he were to remove to England, all these wants would be supplied by Englishmen. The land and capital which was formerly employed in providing the maintenance of Irish labourers, would be employed in producing corn and cattle to be exported to England to provide the subsistence of English labourers. The whole quantity of commodities appropriated to the use of Irish labourers would be diminished, and that appropriated to the use of English labourers increased, and wages would, consequently, rise in England, and fall in Ireland.

"It is true that these effects would not be co-extensive with the landlord's income. While, in Ireland, he must have consumed many foreign commodities. He must have purchased tea, wine, and sugar, and other things which the climate and the manufactures of Ireland do not afford, and he must have paid for them by sending corn and cattle to England. It is true, also, that while in Ireland he probably employed a portion of his land and of his rents for other purposes, from which the labouring population received no benefit, as a deer park, or a pleasure garden, or in the maintenance of horses or hounds. On his removal, that portion of his land which was a park, would be employed partly in producing exportable commodities, and partly in producing subsistence for its cultivators; and that portion which fed horses for his use might be employed in feeding horses for exportation. The first of these alternatives would do good; the second could do no harm. Nor must we forget that, through the cheapness of conveyance between England and Ireland, a portion, or perhaps all, of those whom he employed in Ireland, might follow him to England, and, in that case, wages in neither country would be affected. The fund for the maintenance of labourers in Ireland, and the number of labourers to be maintained, would both be equally diminished, and the fund for the maintenance of labourers in England, and the number of labourers to be maintained, would both be equally increased.

"But after making all these deductions, and they are very great, from the supposed effect of the absenteeism of the Irish proprietors on the labouring classes in Ireland, I cannot agree with Mr. McCulloch that it is immaterial. I cannot but join in the general opinion that their return, though it would not affect the prosperity of the British Empire, considered as a whole, would be immediately beneficial to Ireland, though perhaps too much importance is attached to it.

"In Mr. McCulloch's celebrated examination before the Committee on the State of Ireland, (Fourth Report, 814, Sess. 1825,) he was asked, 'Supposing the largest export of Ireland were in live cattle, and that a considerable portion of rent had been remitted in that manner, does not such a mode of producing the means of paying rent contribute less to the improvement of the poor than any extensive employment of them in labour would produce?' He replies,—'Unless the means of paying rent are changed when the landlord goes home, his residence can have no effect whatever.'

"'Would not,' he is asked, 'the population of the country be benefited by the expenditure among them of a certain portion of the rent which, (if he had been absent) has (would have) been remitted (to England)?' 'No,' he replies, 'I do not see how it could be benefited in the least. If you have a certain value laid out against Irish commodities in the one case, you will have a certain value laid out

The sole difference between land of the first quality in the vicinity of London, and that in Cumberland and Westmoreland, is advantage of situation, by which the occupant is enabled to exchange readily his products for those commodities that he desires

against them in the other. The cattle are either exported to England, or they stay at home. If they are exported, the landlord will obtain an equivalent for them in English commodities; if they are not, he will obtain an equivalent for them in Irish commodities; so that in both cases the landlord lives on the cattle, or on the value of the cattle: and whether he lives in Ireland or in England, there is obviously just the very same amount of commodities for the people of Ireland to subsist upon.'

"This reasoning assumes that the landlord, while resident in Ireland, himself personally devours all the cattle produced on his estates; for on no other supposition can there be the very same amount of commodities for the people of Ireland to subsist upon, whether their cattle are retained in Ireland or exported.

"But when a country does *not* export raw produce, the consequences of absenteeism are very different. Those who derive their incomes from such a country, cannot possibly spend them abroad, until they have previously spent them at home.

"When a Leicestershire landlord is resident on his estate, he employs a certain portion of his land, or what is the same, of his rent in maintaining the persons who provide for him those commodities and services, which must be produced on the spot where they are consumed. If he should remove to London, he would want the services of Londoners, and the produce of land and capital which previously maintained labourers resident in Leicester, would be sent away to maintain labourers resident in London. The labourers would probably follow, and wages in Leicestershire and London would *then* be unaltered; but until they did so, wages would rise in the one district, and fall in the other. At the same time, as the rise and fall would compensate one another, as the fund for the maintenance of labour, and the number of labourers to be maintained, would each remain the same, the same amount of wages would be distributed among the same number of persons, though not precisely in the same proportion as before.

"If he were now to remove to Paris, a new distribution must take place. As the price of raw produce is lower in France than in England, and the difference in habits and language between the two countries prevents the transfer of labourers from the one to the other, neither the labourers nor the produce of his estates could follow him. He must employ French labourers, and he must convert his share of the produce of his estates, or, what is the same thing, his rent, into some exportable form, in order to receive it abroad. It may be supposed that he would receive his rent in money. Even if he were to do so, the English labourers would not be injured, for as they do not eat or drink money, provided the same amount of commodities remained for their use, they would be unaffected by the export of money. But it is impossible that he could receive his rent in money, unless he choose to suffer a gratuitous loss. The rate of exchange between London and Paris is generally rather in favour of London, and scarcely ever so deviates from par between any two countries as to cover the expense of transporting the precious metals from the one to the other, excepting between the countries which do, and those which do not possess mines. The remittances from England to France must be sent, therefore, in the form of manufactures, either directly to France, or to some country with which France has commercial relations. And how would these manufactures be obtained? Of course in exchange for the landlord's rent. His share of the produce of his estates would now go to Birmingham or Sheffield, or Manchester, or London, to maintain the labourers

to possess, enabling him either to have greater enjoyment of life, or to improve his machinery of production, and thus more rapidly to improve his condition. Labour applied on the one yields more largely than on the other, yet both may produce precisely the same number of bushels of wheat. In like manner labour applied to the inferior lands of New Jersey, or Pennsylvania, yields a larger amount of the conveniences and necessities of life than land of the first quality in Illinois, simply because the owner of the former has the advantage of exchanging his products more readily for those commodities he requires.

With every increase in the extent of London, and in the capital there employed, land in its vicinity has become more valuable, and will continue to do so. Should it begin to decay, there will be a gradual decrease in the value of land, which at length may come to be no more esteemed than that in the vicinity of Granada, or even of Palmyra. Such being the case, it must follow that every additional quantity of capital, however small, employed in that city, must *tend* to increase the value of land in its vicinity, and every deduction from its amount must *tend*, in however small a degree, to diminish it.

Every additional stranger who comes to spend a week or fortnight in London contributes to increase the value of the products of that land. He must bring with him some commodity to exchange for those necessary for his support. If that commodity be sugar the quantity thus offered in exchange by him *tends* to increase the facility with which it can be obtained by the grower of corn or of cabbages, and of course to increase the productiveness of that land, estimated in sugar. Any reduction in the number of strangers visiting that city *tends* to diminish the facility with

employed in producing manufactures, to be sent abroad for his profit. An English absentee employs his income precisely as if he were to remain at home and consume nothing but hardware and cottons. Instead of the services of gardeners and servants, upholsterers and tailors, he purchases those of spinners, weavers, and cutlers. In either case his income is employed in maintaining labourers, though the class of labourers is different; and in either case, the whole fund for the maintenance of labourers, and the number of labourers to be maintained, remaining unaltered, the wages of labour would not be affected.

"But, in fact, that fund would be rather increased in quantity, and rather improved in quality. It would be increased, because land previously employed as a park, or in feeding dogs and horses, or hares and pheasants, would now be employed in producing food or clothing for men. It would be improved, because the increased production of manufactured commodities would occasion an increased division of labour, the use of more and better machinery, and the other improvements, which we long ago ascertained to be its necessary accompaniments."—*Outline*, p. 194.

which the productions of England can be exchanged—to diminish the value of the land—to diminish production—and consequently to diminish the labourer's *proportion*. If that stranger be an Irish landlord, his presence and the expenditure of his means tend to increase the value of land near London, and in a corresponding degree to diminish the value of that from which he has withdrawn himself.

The cultivator desires to exchange services for the use of his piece of land. If his landlord be near him, he has it in his power so to do. If not, a part of his time is wasted. In the first case the market for his labour is near him; in the second, a market still exists, but he cannot transfer himself to it. If a stranger take the landlord's place and find demand for labour, giving sugar or cotton in exchange, the equilibrium is again restored.

Let us suppose 1020 families in a parish of 10,000 acres, all of which is in cultivation, giving 10 acres to each family, except 20 who are employed by the landlord in various capacities, as coachmen, cooks, &c. He concludes to remove from home, and to take no servants, the consequence of which is, that 1020 families are to be employed in agriculture. The 20 families cease to produce services, and *the effect of this diminished production is an increased demand for land, and a disposition to offer the landlord an increased proportion*, in the form of higher rents. Let us suppose that in a year thereafter a capitalist arrives, and that he commences building a mill requiring the services of 30 families. The immediate effect must be to reduce the cultivators to 990—to enable every person in the community to employ his time more profitably—to increase production—and *to diminish the landlord's proportion*. If, at the close of another year, the landlord himself returned and required the services of 20 families, there would remain only 970 for cultivation, and the quantity of land allotted to each would be increased. Production would be increased, and the landlord's *proportion* would again be *diminished*.

If capital continued to increase more rapidly than population, new mills would be built; there would be a steady increase in the quantity of land cultivated by each individual; the machinery of cultivation would be improved; the market for labour would be brought daily more and more home to the labourer; production would be increased; the landlord's *proportion* would be steadily diminished; and with every such diminution it would become of less and less importance to the community whether he spent his rents abroad or at home. If, on the contrary, population increased more rapidly than capital, there would be a dimi-

nution in the quantity of land cultivated by each individual ; the power to improve the machinery of cultivation would diminish from day to day ; the necessity for seeking abroad a market for labour would be increased ; the ratio of production to population would be diminished ; the landlord's proportion would be increased, and with every such increase it would become more and more important to the community, that he should remain at home, and enable them to pay by services for the use of his land.

Here we have precisely the same state of things that we have shown to exist in relation to land. Every increase in the quantity of capital employed in London increases the value of land in and near that city ; and every increase in the quantity of capital employed in any given community tends to increase the value of the labour of that community. The larger the amount of capital, the greater is the amount of production, and the greater the number of exchanges. The greater the amount of production, the smaller is the *proportion* of the *capitalists generally*, and the smaller is the proportion which their exchanges bear to the whole quantity of exchanges, and *the smaller is the proportion which the exchanges of the landholders bear to the exchanges of the capitalists generally*. With every increase in the amount of capital, the influence of the operations of the landlords diminishes, and it becomes of less and less importance whether they remain at home or abroad.\*

In confirmation of this view, we state that in no country is their residence of less importance than in the United States, which export raw produce, while in none is it of more importance than in France, which exports manufactured commodities. As capital increases it is applied to manufactures, and by degrees a country becomes an exporter of manufactured commodities ; but it does

\* The truth of this is locally proved in every case in which the system of management adopted on absentee estates tends to promote *security*, and consequently the growth of capital.

"It must not be imagined that the people on all absentee estates are in a worse condition than they are upon those estates where there is a resident landlord. The condition of the peasantry depends on the *circumstances under which the lands are occupied*, much more than upon the residence of proprietors, and I cannot say that it is generally an easy matter to guess whether the landlord be absentee or resident. Some of the most comfortable tenantry in Ireland are found on absentee properties, and some of the most miserable on estates upon which the proprietor resides ; there is no doubt, however, that where a well disposed and *unembarrassed* landlord resides, fewer unemployed labourers are found, the condition of the labourer is better, and *the retail trade of the most adjacent towns is materially benefited*."—*Ingles*, Vol. II. p. 256.



not necessarily follow that because a country exports manufactured commodities, that therefore capital is abundant.

Bengal is more prosperous at this moment when it exports raw cotton, than it was half a century since, when it exported that cotton in the form of cloth, and the absenteeism of the great landholder is of less importance now than it was then. It is obvious that the law proposed by Mr. Senior is not universally true, and must be abandoned. In its place we would offer the following propositions for the consideration of the reader.

I. That every increase, however small, in the ratio of capital to labour, tends to produce an increase in the demand for labour, and increased steadiness in its employment—to cause an increase in the amount of production—and to increase the *proportion* thereof that may be claimed by the labourer—and *vice versa*.

II. That increase of capital applied to manufactures causes no increase in the quantity of produce returned to agricultural labour, yet it benefits the agriculturist by producing an increased demand for his services, enabling him to claim an increased proportion of his product, and more advantageously to exchange for the manufactured commodities that he requires.

III. That the residence of a capitalist and the expenditure of his income in like manner produce an increased demand for labour, enabling the labourer to claim an increased proportion of his products.

IV. That therefore increase of capital applied to manufactures, and the residence of a capitalist, both tend to produce the same effect of increasing the demand for labour and the amount of its reward.

V. That the higher the ratio of capital to labour in a community, the smaller is the effect produced by the abstraction or addition of any given amount—and *vice versa*.

VI. That where the ratio of capital to population is *low*, as in Ireland, the addition or subtraction of a given number of landlords or capitalists tends to produce a sensible difference in the demand for labour and in the proportion of their products that may be claimed by the labourers as wages.

VII. That where the ratio of capital to population is *high*, as in England and the United States, the addition or subtraction of the same number of landholders would not produce a sensible effect in the demand for labour or in the proportion claimed as wages.

It has been proposed to lay a heavy tax upon the estates of absentee landlords, to compel them either to return, or to pay what will be equivalent to the taxes on consumption that they would



pay, were they resident. To this there is a very serious objection, that it would be an interference with the rights of person and property. Every man should be equal before the law, and be at liberty to expend the income of his property, whether in land or in the funds, when and where he pleased. In this consists that security which is the first and most important consideration in a State, and if interfered with in such a nation as Great Britain,

“ 'Twill be recorded for a precedent :  
And many an error by the same example,  
Will rush into the state : it cannot be.”—*Merch. of Ven.*

To remedy the evils of absenteeism, nothing is necessary but the abolition of restraints upon the investment of capital, and the establishment of perfect security, all of which may be done without interference with any existing right. Were this done, Ireland would, in twenty years, be in a situation superior to that of Scotland at present. Instead of the investment of *Irish capital in the English funds*, we should see *English capital applied to the improvement of the quality of Irish labour*, and universal ease and prosperity would be the consequence.\*

\* In confirmation of the views which we have offered, we offer the following facts from a pamphlet by Lord Clements,† received after the above was in type.

In 1727, Ireland did not grow corn enough for her consumption. At that time population was thinly scattered over the superior soils which alone were cultivated, yielding a miserable subsistence to the occupants. In 1762, a bounty was granted on all the inland carriage of corn, and in 1784 it was increased to 3d. 4s. a barrel on wheat. The average value of the corn imported into Ireland, for seven years previous to 1778, was £84,697 per annum, and the average export was £64,871.‡ In 1792, there was only one flour-mill in the north of Ireland.§

However small the farms of Ireland, the farmer's capital is still smaller in proportion, and the former is always too large for the latter.|| The deficiency of Ireland is not in land—of which there is abundance—but in capital to make it productive—and yet its accumulations are invested in British stocks, because of insecurity at home.”

† The Present Poverty of Ireland Convertible into the Means of her Improvement. London : 1838.

‡ Ibid. pp. 19, 20.

§ Ibid. p. 66.

|| Ibid. p. 47.

## CHAPTER XV.

NETHERLANDS.—SPAIN.—SWEDEN.—NORWAY.—CHINA.—TURKEY.

THE most prosperous country of Europe, after England, was the late kingdom of the NETHERLANDS. In Holland, the truths of Political Economy were first acted upon, and they brought with them a copious harvest of wealth and prosperity.

"To sum up all, amongst the moral and political causes of the former flourishing state of trade, may be likewise placed the wisdom and prudence of the administration; the intrepid firmness of the councils; the faithfulness with which treaties and engagements were wont to be fulfilled and ratified; and particularly *the care and caution practised to preserve tranquillity and peace, and to decline, instead of entering on a scene of war, merely to gratify the ambitious views of gaining fruitless or imaginary conquests.*

"By these moral and political maxims was the glory and the reputation of the republic so far spread, and foreigners animated to place so great a confidence in the steady determinations of a state so wisely and prudently conducted, that a concourse of them stocked this country with an augmentation of inhabitants and useful hands, whereby its trade and opulence were from time to time increased."\*

Unfortunately their rulers were not all equally wise, or equally patriotic, and the love of glory, or the desire of personal aggrandizement led to war in some instances, while in others it was forced upon them. The consequences were enormous expenditure, heavy debt, and its attendant heavy taxation, carried so far, that it was said that every fish was paid for, once to the fisherman and six times to the state.† This contributed to drive away commerce, and her capital was, and is compelled to seek employment abroad. Notwithstanding this, there are so many advantages in their system of public and private economy, that capital accumulates with sufficient rapidity to enable them to lend

\* Answer to inquiries respecting the state of trade, addressed to the merchants of Holland, by the stadtholder William IV.

† "D'autres examineront peut être si ces taxes ont été judicieusement placées : si elles sont perçues avec l'économie convenable. Il suffit ici d'observer que les manufactures de laine, de soie, d'or et d'argent, une foule d'autres ont succombé après avoir lutté longtemps contre la progression de l'impôt. La Hollande n'a sauvé du naufrage de ses manufactures, que celles que n'ont pas été exposées à la concurrence des autres nations."—*La Richesse de la Hollande*, Vol. II. p. 73.

to all the world, and retain at home sufficient to find employment, at wages that are high in comparison with those of the rest of the continent of Europe, for their whole population.

The proportion of land to population in this kingdom, as it existed prior to 1830, is much smaller than in England and France, there being 9,822 persons to every 10,000 hectares, while England has 6,930, and France only 5,200. The system of cultivation is, however, admirable, and makes amends by increased productiveness for the diminished quantity of land.

The contributions required for the maintenance of the government were large, and almost equal to those of France; the former being 14.48 florins, and the latter 14.74 florins per head. Labour is, however, vastly more productive, and the payment of this sum *does not require so large a proportion of the product as in France.*

The total value of the agricultural capital was estimated, in 1824, at 10,395,680,000 francs, or £ 433,000,000 sterling, and the total product of agricultural labour was 1,202,284,000 francs, or £ 50,000,000, of which it was estimated that seed, and manure, and labour, absorbed two thirds, and that the capitalist took one third.\*

For centuries past SPAIN has known nothing of security, either of person or of property, and the consequence is so entire an absence of capital employed in facilitating the communication between the different parts of the country, that wheat varies in the same year from 18 reals to 53½ reals per quarter. The average prices of the following articles, from September, 1827, to September, 1828, were as follows:

		In Salamanca.		In Catalonia.
Wheat,	-	18	-	53½
Barley,	-	9½	-	20½
Oats,	-	6	-	23
Rye,	-	12¾	-	31
Garbanzos, (peas,)	-	94	-	68
Oil,	-	40	-	31

“ Notwithstanding this enormous difference of price and inducement

\* M. De Clouet. Tableau Statistique du Royaume des Pays Bays. Foreign Quarterly Review, Vol. V. p. 378. The proportion here taken is greater than in either England or the United States, and less than in France or India. Labour is more productive than in the latter countries; the labourers retain a larger proportion of the product, and their situation is consequently better than that of any other people of the continent of Europe.

to exportation, it was calculated that the accumulated surplus of four or five successive years of good crops in the *silos* and granaries of these plains, (of which Salamanca forms a part,) amounted at the close of the harvest of last year, (1828,) to six millions of fanegas, or one and one fifth millions of Winchester quarters." So defective are the means of transportation, "that in order to deliver 100,000 quarters at the ports, (135 miles distant) 5,000 carts, with two oxen each, would be required, making the journey in 8½ working days, transporting, 90,000 And 5,000 mules, each making four journeys per month,

with half a quarter,	-	-	-	-	10,000
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**\*100,000”**

The same quantity of transportation would be done on any canal in the United States, by 150 canal boats, and as many horses, in the same time.†

In describing the situation of the roads in various parts of Europe, Mr. Jacob says, "they afford a practical reason for the people of Andalusia, in Spain, drawing their supplies of wheat and flour from the United States, when wheat was there 4s. 6d. per bushel, while on the plains of Castile it was not more than 1s. 6d. per bushel."†

Catalonia had a Constitution which exempted it from the oppressive taxation which caused the decay of the rest of Spain, and enabled its people to prosper and accumulate capital. Its wealth made it a desirable object of plunder, and after much bloodshed it was deprived of that Constitution by Olivarez. It was, however, exempted from that most oppressive of all taxes, the alcavala, and in consequence, it is still the richest and most enlightened portion of Spain, as has been shown during the last thirty years. No part of the kingdom showed so great an aversion to submission to the dominion of France, either under Napoleon or Charles X.

Production is small, and a large proportion thereof is claimed

\* Foreign Quarterly Review, Vol. V. p. 80.

† The first establishment of stage coaches in Spain excited a great deal of opposition, and in the fury of popular disapproval, one of the new vehicles was burnt. *The ground of this opposition was the alleged injury which the new speculation would cause to the poor muleteers, whom it would deprive of the means of earning a living.* At a subsequent period, when the first steamboat appeared on the Guadalquivir, the machinery was destroyed by the populace. *The outrage was committed for the interest of the stage coach proprietors.* Now, that certain speculators have hinted at the project for establishing rail roads in Spain, a numerous portion of the population oppose the scheme on the ground of injuring the steamboats.

† Second Report, p. 10.

by the government and by the owners of landed and other capital. A few are wealthy, but the mass of the people are in a state of extreme poverty. A recent writer says most truly, that "there exists not in the world a country where improvement of every kind would be so rapid as in Spain. Her varied climate and her fertile soil—her geographical position—her rivers and her harbours—the extreme intelligence of her people—are all elements of greatness and means of civilization, if turned to the account for which they were destined by nature. *Let Spain enjoy but ten years of good government, and we shall see her rise like a Phœnix from her ashes, and mount up in greatness and in power, until she takes the place to which she is entitled, among the first rate nations of the earth.*"\*

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The love of *glory* has had the same influence upon the sovereigns of SWEDEN, as upon those of France. Gustavus Adolphus, Charles XII., and their successors have been ready to apply the revenues of their kingdom to destroying the security of their neighbours, and the consequence has been, and is, insecurity at home.

Even in time of peace a large army is maintained, and its ranks are filled by means of the conscription, by which the poor are compelled to contribute personal services for which the owners of property are unwilling to pay, as is the case in France.

The owner of property is not at liberty to dispose of it as may best suit his convenience or his interest. If it be iron ore, he may not send it out of the kingdom, but he must exchange it with his countrymen. If he desire to obtain for it manufactured commodities, he is restrained by laws which impose heavy duties upon all such exchanges. If he be the proprietor of wood land, *of which there are 96,000 square miles, he is prohibited from exchanging it with those out of the kingdom who desire to obtain its products for the building of ships or houses.*

The population of Sweden, in 1830, was 2,888,082, having increased  $55\frac{3}{17}$  per cent. in 75 years. Its surface is 170,000 square miles, having, in the southern parts, 123 to a square mile, and in the northern only  $1\frac{1}{2}$ .

The contributions required for the support of the government are estimated at *one fifth of the whole product*. In assessing these contributions, the property of the nobility is estimated to pay

\* *Sequel of the Policy of England towards Spain.* Quoted in *Examiner*, 1837, p. 564.

little more than half of its proportion, when compared with that of the smaller proprietors. The mining interest pays only one fourth of its proper share.\*

As might naturally be supposed, under such circumstances, the *quality* of labour is very low. The land is being gradually split up into small holdings, as is the case in France, and the owners have not the capital to work them to advantage. All the manufactories, in 1834, employed only 12,143 workmen. The number of merchants was 3081, and their clerks and apprentices were 3158 in number. The shipping amounted to 137,504 tons. The exports amounted to 13,561,000, and the imports to 12,302,000 rix dollars.† The inland trade is supposed not to exceed a third of the foreign. The manufacture of iron, which in 1751 amounted

\* "It is not enough that the mining interest, besides many weighty privileges, should have a tribunal and administrative board of its own: it has also obtained from the crown, for a trifling payment, permission to use large tracts of forest; and no inconsiderable share of the land-tax of the peasant has been converted on the hardest terms into the obligation to burn charcoal, and carry it to the foundries.

"The mining interest of Sweden pays, in direct taxes to government, in respect to the value of its property, only one fourth as much as the landed interest; or, in other words, the mines and their appurtenances, being equal in value to one fourth of the land (not exempt from taxes) in the kingdom, pay no more than a sixteenth of the sum contributed by the land.

† "It may seem, to many, absurd to compare Sweden with the rich and powerful England; but it must be remembered, that 300 years ago London had only 327 merchants, and Stockholm had 209. \* \* \* The merchants of Sweden, in 1831, were 3080 in number, with clerks, apprentices, &c., amounting to 3158 persons. This statement announces at once the insignificant trade of the country. The imports of the kingdom amounted

In 1825 to 13,587,138 Rix dollars.†	The exports to 12,228,382
1826 " 14,836,115 "	" 10,275,961
1827 " 14,294,542 "	" 12,186,909
1828 " 15,085,273 "	" 12,892,598
1829 " 17,001,636 "	" 11,310,947
1830 " 15,484,763 "	" 11,344,992
1831 " 12,302,682 "	" 13,564,618

"The mercantile shipping of Sweden amounted, in 1831, to 1122 vessels, or 137,514 tons. In 1833, the British ships trading to the Baltic were 1573 in number, amounting to 292,190 tons. \* \* \* I fear that in Sweden, if one may venture a conjecture on the subject, the inland trade is hardly worth a third of the foreign. \* \* \* In the year 1825, the inhabitants of all the towns in Sweden, taken together, amounted to 279,645 souls, or about one tenth of the population of the kingdom."—*Athenæum*, p. 814.

† The Swedish Rix dollar is worth nearly 4s. 10d. English; the Rix dollar Banco (paper money) is equal to about 1s. 8d. sterling = 40 cents.

to 328,000 pounds, averaged, from 1821 to 1836, 399,000 pounds, having increased little more than 20 per cent.\*

The consequence is poverty and immorality. From 1805 to 1830, the illegitimate births were about one to fourteen and a half.

The wealthy families, in 1829, amounted to 11,512. The needy were 238,919 in number, and of those in absolute poverty there were 78,489. In 1825, one fifth of the population required relief, and the great majority of the lower orders are now stated to be, in respect to food, cleanliness, and medical assistance, worse off than the criminals in prison who are maintained at a cost of 2*d.* per day.

The above is taken from the Statistics of Sweden, by Count Forstall, translated and abridged for the London Athenæum. We now offer the reader, from the same high authority, a statement of the annual earnings of a labourer, *to support himself, his wife, and three children*, in order that he may form an opinion as to what must be the condition of the pauper, when such is that of the independent labourer.

				Value in money. <i>Rix Dollars.</i>
2½ barrels of rye,	-	-	-	16.32
1 do. of corn,	-	-	-	5.16
½ do. of pease,	-	-	-	3.16
½ do. of malt,	-	-	-	2.32
2 do. of potatoes,	-	-	-	2.00
1½ lb. salt,	-	-	-	0.32
4 lbs. herrings,	-	-	-	2.16
1 lb. butter,	-	-	-	4.16
3 lbs. hops,	-	-	-	1.00
Amount carried forward,				38.16

\* 1751—1760 to 328,756 Swedish pounds.†

1761—1770 " 330,850 "

1771—1780 " 352,751 "

1781—1790 " 409,519 "

1791—1800 " 383,346 "

1801—1810 " 353,524 "

1811—1820 " 359,591 "

1821—1836 " 399,121 "

"The antiquated principle of political economy, that a state ought not to part with its raw produce, is still acted on in Sweden with respect to iron, the ore of which is not allowed to be exported. \* \* \* The low state of manufacturing industry cannot be ascribed to want of public encouragement, for the Swedish government has been always lavish of bounties to the manufacturer, levied, for the most part, on the agricultural peasant.

† The Swedish pound is equal to 2½ cwts., or 7½ Swedish pounds make one ton English.

	Amount brought forward,	38.16
Milk, - - - - -		14.32
9 gallons whiskey, - - -		5.16
Lodging and fuel, - - -		16.32
Money and sundries, - - -		57.18
		<hr/>
		132.18*

Count Forstall states the sum at 146.32. It is possible, therefore, that some item is omitted. Taking it at that sum, the amount is £11 sterling, or \$52 80. The same author furnishes also a contract *for the services of the household of a cottager*, for a period of ten years, at 143.18 rix dollars, equal to \$52 per annum.

In NORWAY, private wars were abolished in the ninth century: the power of the law was fully established, and from that time to the present, security has existed in a very great degree. In 1687, the present code of laws was published. It is contained in a small volume, and is to be found in the house of every peasant, so that no man can be ignorant of the laws affecting his property, or of his legal rights or duties.†

Notwithstanding that security in the possession of property might be deemed almost perfect,‡ the power of freely applying it in such manner as was most likely to be advantageous to the producer did not exist. He was not at liberty to exchange it when and where he pleased, but on the contrary was obliged to exchange it at certain places,§ and with certain persons licensed

\* Appendix to Foreign Report on Poor Laws, xci.

† Laing's Norway, p. 215.

‡ "It may be doubted whether England does, Scotland certainly does not, at this day, enjoy all the essential advantages of jury trial, in matters regarding property, so fully as Norway has done from the earliest times."—p. 216.

§ "On the decay of the Hanseatic commerce, the towns in which their comptoirs or head factories were established, viz. Bergen and Drontheim, succeeded to their trade and privileges, and maintain the system to the present day. Christiansand and one or two other minor towns have succeeded, after a long struggle, in obtaining a share; but otherwise the trade remains shut from the people at large. The merchants or shopkeepers who are settled and dwell in Nordland and Finmark, and in the Lafodde Islands, are licensed burgesses of Bergen, Drontheim, or other privileged towns. Each has a certain tract of coast or circle belonging to his factory, within which no other person is entitled to buy or sell. These privileged traders pay a certain tax, and are obliged to receive and entertain travellers as the sole inn-keepers within their circle; and their exclusive privilege has become hereditary, attached to the house or factory, in which it may be exercised by a duly privileged trader. The state of a country or province in which every necessary and luxury must be purchased, and of which the trade is so fettered, may be



to carry on trade.\* Nor was he permitted to *use* it as he pleased. If he desired to convert his produce into a different form, as by the act of distilling it, he was met by a prohibition.†

Every profession and every trade was monopolized.‡ The effect of this was an interference of the most serious kind with the right of employing time or talent in such pursuit as might appear most likely to yield reward.

Taxation, particularly in the form of personal service in the militia, was considerable.

Notwithstanding these disadvantages, the people of Norway, enjoying a greater degree of security than most of the people of the continent, were comparatively prosperous, although still poor. The effect of that prosperity was seen in 1815, in the formation of a new constitution, under which there has been a gradual increase in the security of person and property, and diminution of the cost at which they are obtained.§ Government is administered in the most economical manner. The Amtman, (similar to a French prefect,) has a salary of 1600 dollars, or £320 sterling, and the Foged, or chief of police, has 800 dollars. The members of the Storthing, or Congress, are paid two and a half dollars per day.|| The natural consequence is, that the taxes are gradually diminishing, and that the debt accumulated by the old government is being paid off.¶ On a property worth \$4000, the tax is \$25.\*\* On another, the rent of which is \$200, the tax is \$36, including \$8 for the church. The poor-rate is the keep, bed,

guessed at. The privileged capital finds an easy and sufficient trade in supplying the coffee, sugar, tobacco, brandy, and such articles, required by the persons who fish for each merchant. Any extension of industry or of trade to or from the country is not necessary for its employment; and like the dog in the manger, what it cannot do itself, it will not allow any other Norwegian capital to do.

\* "The farming peasant, under the almost republican constitution of Norway, cannot exchange his own produce with those very provinces of his own country, to which the Russian has free access."—p. 269.

"The lawyer, the apothecary, the inn-keeper, the retail shopkeeper, the wholesale dealer, the fish-curer, the shipmaster, in short, those in every calling exercise it by a privilege empowering them to do so, in their respective districts."—p. 129.

† Page 183.

‡ The errors of the Danish system, producing the most evil consequences, is stated to be "that of running all branches of industry into monopolies in favour of different classes."—p. 228.

§ "The gradual reduction of the taxes, and especially of that worst of all, the embodying almost all the able agricultural population to be exercised as militia during a great portion of the short season which the climate admits of being applied to the clearing and preparing new land, may be one of the steps by which this great progress has been made."—p. 396.

|| Page 163.

¶ Page 331.

\*\* Page 301.

and victuals of an old man, for 26 weeks in the year.\* The value of this property is also \$4000, so that the taxes are more than one per cent. on the value. It is, however, to be observed, that there are no taxes on consumption for the maintenance of government. Excise duties are unknown, and the duty on imports is only two per cent.

With this diminution in the cost of government, there is increased security in the enjoyment of the rights of property. Great advantage has resulted from the repeal of restrictions on distillation, by which the farmer has obtained the free use of his produce for malting, distilling, and "in every way he pleases."† The effect has been a universal improvement in husbandry.‡

The population, which in 1825 was 969,000, was, in 1835, 1,098,000,§ having increased in ten years  $16\frac{2}{3}$  per cent., at which rate it would double in about forty-five years.

Throughout the country the roads and bridges are maintained in good order.||

Agricultural machinery is, with some exceptions,¶ excellent.\*\* Irrigation is very general.†† The out-houses and buildings for cattle are superior to those of a large portion of Great Britain.‡‡

\* Page 100.

† Page 396.

‡ "The distillation of spirits from potatoes, has given the arable lands the benefit of a kind of rotation of crop, or, at least, of a large portion of every farm being carefully worked and well manured; and has afforded to every farmer a supply of manure within itself, as the cattle are fed on the distillery refuse—a supply unknown under the former system, when distillation by the farmer was prohibited, or was a trade monopolized, as now with us, by a few large capitalists."—p. 183.

"The distillation of spirits being unrestricted in this country, and carried on in every farm house, renders the price very low—about 14d. sterling the gallon. I expected to have seen a great deal of drunkenness and disturbance in an assemblage of four or five thousand people of two nations. This proved not to be the case. In the morning I have not seen one intoxicated person."—p. 169.

§ Page 162.

|| "The excellent state of the roads and bridges is another proof that the country is inhabited by people who have a common interest to keep them in repair. There are no tolls."—p. 40.

¶ "The plough, not being a turn-wrest one, returns empty to the place it set out from, to begin each new furrow. The ploughman does not make a fresh one in coming back, but trails the empty plough on its side to the head of the field. He requires, consequently, just double the time to plough an acre that we take."—p. 106.

\*\* "The thrashing machine is diffused over Norway, so much more universally than in Scotland, that our right to the invention appears very doubtful."—p. 256.

†† "The extent to which irrigation is carried in these glens and valleys, shows a spirit of exertion and co-operation to which the latter country, (Scotland,) can show nothing similar."—p. 39.

‡‡ "The cow-house is lighted by good glass windows on each side. The cattle

Great attention is given to education, which is universally disseminated.\* The liberty of the press is specially provided for in the constitution. Newspapers are numerous, and it is proposed to have them transmitted by post, free of charge. There are also numerous magazines, some of which have a very extensive circulation.†

The provision for religious education is not so complete. The kingdom is divided into 336 parishes, some of which have from 5,000 to 10,000 people. One is mentioned by Mr. Laing, that was 56 miles in length, by 14 in breadth. In five parishes that he particularly describes, there were 15 churches for 22,880 inhabitants. The patronage is in the state, which accounts in part for the slow progress of improvement. The clergy have from 800 to 1600 dollars, and the bishops 4000 dollars per annum.‡

The monopoly of trades to which we have before referred, not only prevents the increase of capital and its application to manufactures, but forbids the possibility of the introduction of foreign capital for that purpose.§ There are no shops throughout the country at which the farmer may exchange his produce for the commodities that he requires,|| and the consequence is that while he is deprived of many commodities that would be useful and agreeable

stand on a wooden floor, below which is a vault into which the dung is swept by a grated opening at the end of each stall. One woman here will keep 20 or 25 head of cattle quite clean, instead of its requiring 6 hours' work of two men, as in cleaning out our ill-constructed byres."—p. 99.

\* "A small tax is levied from each householder, besides a personal tax from each adult, male and female, amounting in the case of agricultural servants, to about 8 skillings, or half of a day's wages in the year, out of which schools and teachers in each district are provided."—p. 445.

† "The liberty of the press is one of the articles of the ground-law. It is free to every man to print and publish what he pleases." "There are upwards of 20 newspapers, and the price is seven dollars yearly."—p. 133. "It is not doubted that the next Storthing will burthen the post-office with the free conveyance of newspapers, before granting its revenue."—p. 136. "There is a penny magazine in great circulation, and there are several monthly journals on literary, antiquarian, and agricultural, subjects."—p. 137.

"There exists not merely a toleration of the freedom of the press, but the *printed publication of all proceedings of Storthing, is made imperative.*"—p. 128.

‡ Page 181.

§ "The system of monopoly which, as I have before explained, fetters all branches of industry in Norway, would prevent the success, or even the admission of foreign capital or industry, into any trade or manufacture."—p. 295.

|| "There are no dealers or weekly markets attended by purchasers, who buy at one place and sell at another. If the farmer has any grain to spare, he can do nothing with it, unless he happens, by chance, to find consumers on the spot."—p. 255.

to him,\* he is burthened with produce for which he has no market. Much of that produce is therefore wasted,† or applied in a way that yields much less comfort than it might otherwise be made to do.‡

The restraint imposed upon the free application of labour by these monopolies, limits the town populations to 125,000, being less than one ninth of the whole.§ It also limits the demand for such education as is required for professional pursuits, for trade, commerce, &c.||

Norway is the only part of Europe in which property, from the earliest ages, has been transmitted, upon the principle of partition, among all the children.¶ Notwithstanding this, farms are frequently so large that a bell is used, as in Scotland, to call the labourers to or from their work, and sometimes having from twenty-five to forty cows. Occasionally they are so small as to have only a few sheaves of corn, or "a rig or two of potatoes," being occupied by the servants of the main farm, paying their rent in labour. The houses are universally good, and with glass windows.\*\* Here the division of land among the children has

\* "There is a scarcity of many articles very important to comfort and cleanliness. Pottery-ware, plates, dishes, bowls, are coarse, and not in the abundance we are accustomed to. Knives, forks, spoons, are also on the minimum side of the account as to comfort and nicety."—p. 60.

† "From the want of a certain and ready market for his farm produce, the farmer naturally wastes it. His housekeeping, with its four meals a-day; its consumption of brandy, ale, butter, cheese, milk, and other farm produce, besides his keeping superfluous horses and servants, is by no means frugal."—p. 255.

‡ "The skins of sheep, goats, or reindeer, quilted together, form universally the bedding of the labouring class."—p. 295.

§ Page 162.

|| "Education, beyond the ordinary acquirements of reading or writing, can lead to none of the ordinary objects of ambition; and being therefore less valuable than with us, is less valued. The restrictions also upon the free exercise of trade or industry, limit the demand for young men of good but not learned educations. *If a person must obtain peculiar privileges from a corporate body, not merely before he can carry on any medical or legal employment, but before he can buy and sell, or manufacture, or engage in any trade or calling for which intelligence and useful education fit him, he naturally lets the educational part of his qualifications stand until he is sure of the apprenticeship and privilege part.*"—p. 446.

¶ Page 162.

\*\* "The following description of a farming establishment in Norway applies to a large portion of the kingdom.

"The family has a dwelling house, consisting, on ordinary farms, of three rooms below, one of which is the kitchen, and the same above; and at the end, with a separate entry, there is generally a better room, and one above reserved for strangers. Opposite to this dwelling is another, with rooms above and kitchen below, for the farm servants and labourers, at a small distance from the family house, raised upon

not accomplished the breaking up into small farms, while in Ireland division has taken place notwithstanding the law of primogeniture, and precisely as it existed in Scotland when that country was as poor as Ireland is now.

The average condition of the agricultural labourers, Mr. Laing conceives to be to have a house\* with land sufficient for the keeping of two cows and six sheep, and for the sowing of from six bushels of corn and twenty-four bushels of potatoes. He does not think that any are without two cows, or an equivalent in sheep or goats.† The rent is paid in labour on the main farm, or if that be not sufficiently large to require the full value in labour, the labourer pays the balance in money.‡ Those who do not occupy farms receive 4*d.* sterling, 9 cents per day, and their victuals. A carpenter earns 9*d.* = 18 cents per day, and his food,§ consisting of four meals a day, which form the regular fare in every family; and with two of them the labourer has a glass of home-made brandy, distilled from potatoes. It is usual to have animal food, such as salt beef, or black puddings, at least twice in the week.|| It is obvious from this that the condition of the labourer is greatly superior¶ to that of the labouring classes in the other parts of continental Europe. They are universally well lodged\*\*

posts to exclude rats, is the sanctum—the gudewife's store-room and dairy, where the provisions for the year are lodged. It is large and airy, with windows, and with at least two rooms for different objects. The rest of the square, into which the houses are generally arranged for the convenience of winter attendance on cattle, consists of stables, cow-houses, barns for hay and corn, under which are generally the sheds for tools, carts, sledges, a cellar under ground for ale, and one of large size, with double doors, like our ice-houses, for preserving the potatoes. Every thing is under cover, and the spaciousness of the offices surprises one accustomed to our crowded narrow stables and cow-houses. The Norwegians are a well lodged people, as far as I have seen; the poorest dwelling having good glass windows, separate rooms, and some sort of out-building, with conveniences of which I doubt if every house in Scotland can boast."—*p.* 31.

\* "The dwelling houses of the meanest labourers are divided into several apartments, have wooden floors, and a sufficient number of good windows; also some kind of out-house for cattle and lumber."—*p.* 40.

† The reader may advantageously contrast the condition of the Norwegians, as here described, with that of their neighbours of the Orkney Islands, as given at page 413, *ante*. The results differ from difference in security.

‡ Page 150.

§ Page 99.

|| Page 44.

¶ "I observed that the mowers, who appear to be people who go round the country to cut grass, as in some parts of England, had a table regularly covered for them; and their bread was in baskets, as at Laurgaard. These trifles indicate a state of ease and some attention to comfort among the working class."—*p.* 46.

\*\* "The Norwegians are, beyond a doubt, the most generally well lodged people in Europe; but *none magnificently*."—*p.* 102.

and well clothed,\* and were it not for the restraints upon the exchange of their products, would be vastly more so.

The effect of these restraints upon the return to capital is such that foreigners can find no inducement to transfer it there. Farms, when offered for sale, produce twenty years' purchase of the rent, although subject to the payment of a heavy tax. Here we find, as in England, that restrictions upon the employment of capital render it difficult for the owner to use it profitably, and compel him to be content with a *very small proportion* of the product.† A repeal of the restraints would increase the demand for capital; production would be increased; and *the capitalist would take a larger proportion*.

Their effect upon morality is most injurious. Young men are not at liberty to employ themselves in trade or manufactures. They cannot obtain farms in the country, and as towns cannot grow where trade and manufactures are prohibited, they cannot obtain houses, without which they cannot marry. The consequence is that one child in every five is illegitimate.‡

No country has experienced fewer revolutions than CHINA, and none has enjoyed a peace so durable as that which has prevailed since its conquest by the Mantchoos, nearly two centuries since. Person and property have been secure against those hazards which have affected them in the Netherlands, in Italy, and in Germany, the battle grounds of Europe. Such, however, is the weakness of the government, that it is incapable either of commanding respect from foreigners, who set at defiance its laws, or of affording protection to its own subjects, who are plundered by pirates which throng the adjacent seas. Unable to put the latter down by force, the government has been compelled to offer them employment, which has been accepted, until a favourable opportunity offers for resuming their old trade. Under such circumstances,

\* "Boots, gloves, and in bad weather great-coats are worn by ordinary working men, and a person in rags is rarely seen. A set of clothes for Sunday is possessed by every individual."—p. 298.

† "No investment beyond what a man occupies and uses for his family would be profitable, because where almost all are proprietors, tenants are scarce; and from the standard of living being high, and formed upon a state of society in which almost all are proprietors of the farms they cultivate, and are living fully on the produce, a respectable tenant would live as well as other people of his class, that is, as well as the laird himself. It would only be a small surplus that, after taking out of the produce his own living and that of his servants, he would have to pay as yearly rent."—p. 282.

‡ Page 151.

were even the restrictions withdrawn, the domestic trade of China could not be carried on by sea.

Thus insecure abroad, the people do not find security at home. Office is generally purchased, and as is usual in such cases, it is deemed to be the duty of the holder to indemnify himself out of those placed under him, for the cost of his purchase. Such is the case with judges, and it is not unusual for both parties to fee them, in the hope of a favourable decision. "Capital is so scarce, and so little feeling of security exists, that money is only lent on pawn, and in that case government restricts the rate of interest to *three per cent. per month*, above which rate it must have a tendency to rise.\* In describing the great industry of the people of China, Staunton says, that "they labour as if it were all for their own profit."† Such is doubtless the case with the labourers, but it cannot be the case with the higher classes, or there would not be a total absence of a moneyed interest.

"Such a deficiency in a country so wealthy, and a people so industrious, seems to imply in this boasted administration some radical defect, some want of protection for all fortunes that rise above the humblest mediocrity. *There is no system of credit established between the merchants of distant provinces*; no bills of exchange; no circulating medium except a copper coin of one third of a farthing. In this respect China yields greatly to India, which, amid its political agitation, has formed a great moneyed and banking interest, comprising some individuals of immense fortune."‡

Restrictions of every kind abound. "With a firm hand, they (the Board of Censors,) restrain every thing within the prescribed form; spare the people as well as the emperor the trouble of thinking and acting for themselves; and rigorously resist every improvement as highly dangerous."§ The people are not even permitted to select the mode in which they will make the earth useful to them. "The mountains (of Kwang-se) are rich in ore, and even gold mines are to be found, but the policy of the Chinese government does not allow the working of them on a large scale, *for fear of withdrawing the attention of the people from the cultivation of the soil.*"|| No improvement of any description is permitted. "The foreign trade of China is carried on in large unwieldy junks, whose structure never can be improved, as the slightest deviation from their present clumsy structure *would sub-*

\* Murray's Ency. of Geog. p. 1034.

† Staunton, Vol. II. p. 143.

§ Gutzlaff, Vol. I. p. 34.

‡ Ibid.

|| Ibid. Vol. I. p. 28.

*ject the owners to the high duties imposed on foreign merchants.\** Even the extent of trade is the subject of regulation. "The viceroy of the province fixes the number of vessels that shall sail to each particular country, and the species of cargo they shall carry."†

In a memorial from the President of the Sacrificial Court to the Emperor of China, proposing to legalize the importation of opium, it is most truly said, that "the laws and enactments are the means which extortionate underlings and worthless vagrants employ to benefit themselves; and the more minute the laws are, the greater and more numerous are the bribes paid to extortionate underlings, and the more crafty are the schemes of pettifoggings, worthless vagrants." This document is published at length in the London Literary Gazette, of March 4, 1837, and is curious as showing that more sound notions in regard to freedom of trade are making their way in China.

Wherever Europeans can enter into competition with them, they are likely to be left behind, in consequence of this opposition to innovation. Of porcelain, but a few years since, the export was very large, but it has now almost disappeared from the lists of exports, in consequence of the superiority of the products of England and France.

It has recently been proposed to introduce into Hindostan the culture of the tea plant. Should it be done, it is not improbable that at no distant period that country may supersede China in the supply of it. At present, a very important portion of the cost of inferior teas, consists in the expense of transportation to Canton, a distance of about 750 miles, over thirty of which it is carried on men's backs. All this could be obviated by permitting foreign vessels to load at Amoy, but it is conceived better to have the people employed in *carrying* tea than in *cultivating* it. Were the exportation from Amoy permitted, the immediate effect would be an increase in the price paid to the cultivator, while the cost to the consumer would be reduced. An increased demand would arise out of the reduction of price, and all the people who are now employed in the business of transportation, would then find higher wages in that of cultivation.

Taxation is light compared with that of other countries. The land tax is one tenth of the product. Duties are levied upon salt, and foreign merchandise, and there are transit duties, but in general the articles consumed by the labouring classes are in a great degree exempted. So desirous, indeed, is the government

\* Murray's Ency. of Geog. p. 1031.

† Ibid.



to secure a full supply of food, that vessels bringing cargoes of rice are exempted from the customary charges. In this respect the despotism of China shames the liberal governments of Europe and America, which have always selected for taxation the articles consumed chiefly by the working classes. Timkowski\* states the whole taxation of the empire at 39,667,272 liang, equal to nearly sixty millions of dollars, or about twelve millions of pounds sterling; but it is uncertain whether or not this includes the local expenditure. Staunton states the revenue at 200 millions of ounces of silver, equal to 225 millions of dollars, which, with a population of 333 millions, would give 68 cents per head. The Rev. Mr. Jones, on the authority of the *Bulletin des Sciences*, May, 1829, states it at eighty-four millions of ounces of silver, of which thirty-three millions are paid in silver, and fifty-one millions in grain, rice, &c. Eighty-four millions of ounces are equal to ninety-five millions of dollars, which, with the present population of 367 millions, would be but 27 cents per head.

There is no tax for the support of religion, and but little for that of the army. The chief part of the troops labour for their own support, and the calling is held in little esteem. "They are reckoned far below the civilians, who are thrice as well paid, and who treat the military officer like a police agent, which has brought the whole body into disrepute."† In almost every part of Europe and America the most important posts are occupied by marshals and generals; but in China, "unlike to the rest of the world, where labour and military talents, occasionally united to natural eloquence, were originally the foundation of all wealth and greatness, while literature was little more than an amusement, the study of the written morals, history, and politics of China was the *only road* not merely to power and honour, but to every individual employment in the State."‡

In regard to industry, they are models for all other people. "At this season of harvest, an active cheerfulness seemed to pervade both sexes. They appeared to be sensible of labouring for their own profit. Many of the peasants are owners of the lands they cultivate."§ Extraordinary good humour and cheerfulness are their characteristics, and there is perhaps no nation in which decency and regularity are so universal;|| where crime is less.¶ Their economy is equal to their industry.

The population is stated by Mr. Gutzlaff at 367 millions, on a

\* Timkowski. *Russian Embassy to China*. Vol. II. p. 458. † Gutzlaff, Vol. I. p. 40.

† Staunton, Vol. II. p. 107. § Ibid. p. 143. || Ibid. Vol. I. p. 269. ¶ Ibid. Vol. II. p. 39.

surface of 1,293,000 square miles, being equal to 290 to each square mile. In the province of Ke-ang-se there are 1,126, while in that of Shen-se there are only fifty to a mile. In the three presidencies of Bengal, Madras, and Bombay, there is a population of 89,470,152 upon 421,673 square miles, giving an average of 212. Bengal has 316, Madras 95, and Bombay 105 to the mile.

Mr. Gutzlaff states his belief that the population is not overrated; and if his views be correct, it follows that the quantity of land for each individual in China, is one fourth less than in Hindostan. Her lands are generally fertile, and cultivated in the most extraordinary manner. They are watered by immense rivers, two of which are 2,000 miles in length; and numerous canals have been constructed at vast expense.

We here find a nation increasing rapidly in numbers, and forbidden to extend their field of action. They are not permitted to leave the empire, by which they might transport themselves to new lands; nor are they permitted to vary their modes of operation, by which old lands might be rendered more productive, or by which labour employed in manufactures might be made to increase the quantity, or improve the quality of the commodities brought to market. "Notwithstanding the paramount importance attached to works of utility, the Chinese have made no progress in the application of the mechanical powers; they cannot even construct a common pump; and all their great works are the mere result of indefatigable labour performed by a multitude of human hands."\*

Population increases rapidly, but production is not permitted to keep pace with it, and the nation is in precisely the opposite situation of that of the United States, where the ratio of production increases more rapidly than that of population. Forbidden to avail themselves of machinery, the return to labour is small, and the most untiring industry is required to obtain the means of support; the necessary consequence is, that very little remains to become capital. Even were it, under these disadvantageous circumstances, to increase more rapidly than it does, the insecurity that appears to exist would prevent its investment in machinery, were it not, as it is, forbidden to be so used.

Peace and security from invasion, light taxation, great industry, and strict economy, enable the Chinese to obtain a better support than falls to the lot of the Hindoos; but restrictions and insecurity prevent them from availing themselves of their advantages,

\* Murray's Geography, p. 1039.

and thus impede the growth of capital. Barrow says he never saw a beggar. Beggars, however, there certainly are, but they are generally well clothed, and it is believed that the Chinese are as well clad as almost any nation in the world. Infanticide is often adduced as an evidence of great distress, but Mr. Morrison, who had as good opportunity as any European of knowing the facts, declared that he had never been able to find it.

China possesses every requisite *but* an enlightened government for becoming one of the most prosperous nations of the earth; but the doctrines of her rulers are in accordance with those of some of our writers, who would tax machinery for the purpose of limiting production, and while she thus refuses the aid of science, her people must continue in a state of poverty.

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The admirable effect of the security that has resulted from being *overlooked* by the government, and thus *permitted* to grow in wealth, is admirably illustrated in the following account of Ambelakia, which we extract from Urquhart's *TURKEY*.\*

"Whenever the most unpromising spot has been neglected, it has made rapid progress; in ascertaining how far each has been emancipated, we have grounds for calculating the progress it has made. Those portions of Turkey that have acquired wealth, strength, and celebrity, have sprung up thus at a distance from, and uncontrolled by the Turkish authority; even, as in the middle ages, the municipal cities and republics burst forth in some remote corner, or on hitherto neglected shores, into splendid contrast with the surrounding barbarism; but as the great powers extended their limits, these States were drawn within the sphere of political centralization, or they were diverted by the slippery circumstances of the times, from commercial and manufacturing to political purposes: still their rise, as their fall, bears testimony to the simple but energetic organization under which they flourished, and to which alone their prosperity can be attributed. Do the antecedent pages of history—does the map of the Mediterranean indicate any peculiarly happy combinations that could promise to Amalphi, Montpellier, Barcelona, Ancona,—places which had no power to make themselves respected—no anterior connexion or habits of business, which are not in the passage of commerce—not blessed with local fertility, or celebrated for manufactures,—the prosperity that dazzles by its rise, but has not instructed by its decay; tenantless structures, princely relics of departed wealth, record, in their eloquent stillness, the perils of commercial legislation.

"Ambelakia is the name of a spot overlooking the vale of Tempe,

whose history is the most perfect and striking illustration of the operation of similar causes in Turkey. This extraordinary association, after a brilliant existence of twenty years, was dissolved in consequence of complicated legal proceedings, which it had no competent court to decide, and in which the ruling body was an interested party. For several years, at an enormous expense, they carried the proceedings from court to court, having no natural tribunal—mendicating decisions, and rejecting them when obtained. The municipal body, which was also the commercial firm, closed its doors to popular election, and its books to public inspection; but there was neither prescription nor charters to screen and support its injustice. A recasting of the society took place; but at that period, the failure of the Vienna bank, where their funds were deposited, the evil effects of the protracted litigation, and much more than these, the revolution in commerce, that English cotton yarn was beginning to effect, conspired with political troubles for its ruin. Ambelakia, nevertheless, remains an example of what can be effected in Turkey, not by a reform of government principles, but only by the subtraction of a piece of ground from its immediate practical abuses.

“This was perhaps the spot, amid all the rich recollections of Thessaly, which I visited with the greatest interest; its commerce, its activity, and its population have disappeared, but its palaces still overlook the Peneus, and the vale of Tempe, to surprise the traveller, and to convince him of the reality of a story which appears almost fabulous. I extract from Beaujour’s “*Tableau du Commerce de la Grèce*,” the details he has preserved respecting it, in as far as they were confirmed to me by the information I obtained on the spot.

“‘Ambelakia, by its activity, appears rather a borough of Holland, than a village of Turkey. This village spreads, by its industry, movement, and life, over the surrounding country, and gives birth to an immense commerce, which unites Germany to Greece, by a thousand threads. Its population has trebled in fifteen years, and amounts at present, (1798,) to four thousand, who live in their manufactories like swarms of bees in their hives. In this village are unknown both the vices and cares engendered by idleness; the hearts of the Ambelakiots are pure, and their faces serene; the slavery which blasts the plains watered by the Peneus, and stretching at their feet, has never ascended the sides of Pelion, (Ossa;) and they govern themselves, like their ancestors, by their *protoyeros*, (primates, elders,) and their own magistrates. Twice the mussulmen of Larissa attempted to scale their rocks, and twice were they repulsed by hands which dropped the shuttle to seize the musket.

“‘Every arm, even those of the children, is employed in the factories; whilst the men dye the cotton, the women prepare and spin it. There are twenty-four factories, in which yearly two thousand five

hundred bales of cotton yarn, of one hundred okes each, were dyed, (6138 cwt.) This yarn found its way into Germany, and was disposed of at Buda, Vienna, Leipsic, Dresden, Anspach, and Bareuth. The Ambelakiot merchants had houses of their own in all these places. These houses belonged to distinct associations at Ambelakia. The competition thus established, reduced very considerably the common profits; they proposed therefore to unite themselves under one central commercial administration.\* Twenty years ago, this plan was suggested, and in a year afterwards it was carried into execution. The lowest shares in this joint-stock company, were five thousand piastres, (between 600*l.* and 700*l.*) and the highest were restricted to twenty thousand, that the capitalists might not swallow up all the profits. The workmen subscribed their little profits, and uniting in societies, purchased single shares; and besides their capital, their labour was reckoned in the general amount; they received their share of the profits accordingly, and abundance was soon spread through the whole community. The dividends were at first restricted to ten per cent., and the surplus profit was applied to the augmenting of the capital; which in two years was raised from 600,000 to 1,000,000 piastres, (120,000*l.*)

“Three directors, under an assumed firm, managed the affairs of the company; but the signature was also confided to three associates at Vienna, whence the returns were made. These two firms of Ambelakia and Vienna had their correspondents at Peste, Trieste, Leipsic, Salonique, Constantinople, and Smyrna, to receive their own staple, effect the returns, and to extend the market for the cotton yarn of Greece. An important part of their trust was to circulate the funds realized, from hand to hand, and from place to place, according to their own circumstances, necessities, and the rates of the exchange.”

“Thus the company secured to itself both the profits of the speculation, and the profit of the banker, which was exceedingly increased by the command and choice which these two capacities gave of time, market, and speculation. When the exchange was favourable, they remitted specie; when unfavourable, they remitted goods; or they speculated on Salonique, Constantinople, or Smyrna, by purchase of bills, or by the transmission of German goods, according to the fluctuations and demands of the different markets, which their extensive relations put them immediately in possession of, and the rapid turning of so large a capital gave them always the means of profiting by.

\* “This competition was of a peculiar character; these houses were agents of one factory, and the competition between the agents did not allow the produce of the factory its fair advantages against other factories. The factories had a common administration at home, and it sent its goods to market at its own expense and risk—combining the profits of merchant, broker, and manufacturer; as it was carried on by an association of capital and labour, which equalised the profits so much that the poorest could wait for a return, to reap the benefits of the speculation as well as receive the wages of his labour”

“ ‘Never was a society established upon such economical principles, and never were fewer hands employed for the transaction of such a mass of business. To concentrate all the profits at Ambelakia, the correspondents were all Ambelakiots; and to divide the profits more equally amongst them, they were obliged to return to Ambelakia after three years’ service, and they had then to serve one year at home, to imbibe afresh the mercantile principles of the company.

“ ‘The greatest harmony long reigned in the association; the directors were disinterested, the correspondents zealous, and the workmen docile and laborious. The company’s profits increased every day on a capital which had rapidly become immense; each investment realized a profit of from sixty to one hundred per cent., all which was distributed, in just proportions, to capitalists and workmen, according to capital and industry. The shares had increased ten fold.’

“ ‘The disturbances and distresses which succeeded to this period of unrivalled prosperity, are attributed by Beaujour, with that provoking vagueness that substitutes epithets for causes, to the ‘surabondance de richesse,’ to ‘assemblées tumultueuses,’ to the workmen’s quitting the shuttle for the pen, to the exactions of the rich, and to the insubordination of the inferior but still wealthy orders. I believe the causes of their disunion, with all the evils that ensued, and the subsequent ruin of Ambelakia, to have been,—first, the too great extension of the municipal body, its consequent loss of activity and control; and the evasion of responsibility by the managers; and secondly, the absence of judicial authority, to settle in their origin disputes and litigated interests, which, in the absence of law, could only be decided by the violence of faction. That the exclusion of the workmen from a due influence in the administration, and share in the profits, was the real cause of the breaking up of the commercial association; is established by the fact of the workmen separating themselves, immediately afterwards, into as many small societies, as there were associations of workmen possessed of shares in the joint-stock. As I have already stated, a litigated question, depending on the violation of one of their by-laws, separated the whole community into two factions. The question at issue was at length very unsatisfactorily terminated at Vienna, after ruining the harmony of the community, and occasioning to both parties enormous losses.

“ ‘Ambelakia for ten years has been deserted: its commerce has been altogether extinguished: but it would be very unjust to attribute its fall to its internal troubles; these, and its losses, might soon have been repaired, had their industry not been outstripped by that of Manchester. They are very indignant at the phantoms of tumult, luxury, and corruption, which Beaujours has conjured up to account for an event so evidently attributable to the causes above adduced. The common disasters of Turkey have reduced, within that period, to a state of as

complete desolation the other flourishing townships of Magnesia, Pelion, Ossa, and Olympus. Even on the opposite heights of Olympus, across the vale of Tempe, Rapsani, from a thousand wealthy houses, which ten years ago it possessed, is now, without being guilty of either luxury or tumult, reduced to ten widowed hearths.

"To give a just idea of the prosperity of Ambelakia, it would be necessary to describe the poverty and depression of the surrounding country, because it is by the contrast alone, of the state from which it had emerged, and the evils it had escaped, that the energies, and institutions which caused its prosperity, can be duly appreciated. Here were to be seen springing again, 'grand and liberal ideas, on a soil devoted for twenty centuries to slavery; here the ancient Greek character arose, in its early energy, amidst the torrents and caverns of Pelion, (Ossa;) and to say all in a word, here were all the talents and virtues of ancient Greece, born again in a corner of modern Turkey.'

"Had an old commercial emporium had a conveniently situated sea-port, or a provincial chief town, possessing capital, connexions, and influence, extended thus rapidly its commerce and prosperity, it would have been cited, and justly so, as a proof of the good administration which ruled it. What then shall we say of the administration that has thus elevated an unknown, a weak, and insignificant hamlet, that has not a single field in its vicinity, that had no local industry, that had no commercial connexion, no advantage of position, was in the vicinity of no manufacturing movement, was on the track of no transit commerce, was not situated either on a navigable river, or on the sea, had no harbour even in its vicinity, and was accessible by no road, save a goat's path among precipices; with all these local disadvantages, it possessed no local advantage whatever over the thousand other villages of Thessaly; neither did its industry receive an impulse from new discoveries, or secrets of chemistry, or combination of mechanical powers. It supplied industrious Germany, not by the perfection of its jennies, but by the industry of its spindle and distaff. It taught Montpellier the art of dyeing, not from experimental chairs, but because dyeing was with it a domestic and culinary operation, subject to daily observation in every kitchen, and by the simplicity and honesty, not the science of its system, it reads a lesson to commercial associations, and holds up an example unparalleled in the commercial history of Europe, of a joint-stock and labour company, ably and economically, and successfully administered, in which the interests of industry and capital were long equally represented. Yet the system of administration with which all this is connected, is common to the thousand hamlets of Thessaly, that have not emerged from their insignificance; but Ambelakia for twenty years was left alone. In this short sentence lies the secret of its prosperity, and the promise of the regeneration both of Turkey and Greece.



"The marine of Greece has been for ten years the object of so much inquiry, that I need not enter into any detail respecting it. Those who have gone along with me in tracing the progress of these various communities to their municipal institutions, will see the agency of similar causes in the six hundred vessels, of three hundred tons and upwards, which the maritime communities of Galaxidi, Missolonghi, Cranidi, Spezzia, Hydra, Psara, Cassos, Santorin, &c., possessed—all spots out of the way of man and of commerce; while all the great emporiums of trade in the Levant, together, did not possess a dozen native Greek vessels of the same class. They will even, perhaps, find in these institutions the explanation of the origin and spring of prosperity and activity, which have so generally been considered unintelligible and inexplicable.

"Amongst these communities, the principle of association was carried from their rocks on board their vessels. The ship's company were all owners in the vessel, or sharers in the cargo; labour and capital were equally calculated, and one common interest guided the whole body.\* The moral control, which was the enlivening spirit of the municipalities, followed them in their speculations afloat; a proof of which may be found in this, that their money, and other transactions, were carried

\* "Wherever the same system of copartnership has existed, the same surprising energy, enterprise, and intelligence, have been the result. It is, indeed, with amazement, mingled with scepticism, that we trace the commercial grandeur of the republics of Italy; but the scepticism may disappear, when we perceive in them the same principle, at least in their earliest days, which we see in active operation, and producing the same wonderful results, at the present moment.

"The maritime islands of Greece are not solitary witnesses; the whalemen of Nantucket, inhabiting an island too, with a municipal government, and carrying afloat the subdivisions of interests, as the Greeks have done, have extorted the following tribute from the eloquence of Burke, who observed them from a distance, but saw not the internal springs by which they are put in motion: 'Look at the manner in which this New England people carry on the whale fishery. While we follow them among the trembling mountains of ice, and behold them penetrating into the deepest frozen recesses of Hudson's and Davis's Straits; while we are looking for them beneath the Arctic Circle, we hear that they have pierced into the opposite region of polar cold; that they are at the antipodes, and engaged under the frozen serpent of the south. Falkland Island, which seemed too remote and too romantic an object for the grasp of national ambition, is but a stage and resting place for their victorious industry. Nor is the equinoctial heat more discouraging to them than the accumulated winter of both poles. We learn that while some of them draw the line, or strike the harpoon, on the coast of Africa, others run the longitude, and pursue their gigantic game along the coasts of Brazil. No sea but what is vexed with their fisheries—no climate that is not witness to their toils. Neither the perseverance of Holland, nor the activity of France, nor the dexterous and firm sagacity of English enterprise, ever carried this most perilous mode of hardy industry to the extent to which it has been pursued by this recent people—a people who are still in the gristle, and not hardened into manhood.'"—*Burke's Speech on American Affairs, 1774.*



on only by verbal agreement and simple entries. Bonds, and even receipts, were unknown, yet they had, like the Ambelakiots, neither judge nor law of established authority."

In all these nations we find results entirely according with those which are exhibited in India, France, England, and the United States. We find security accompanied by the profitable application of labour, and men enabled to derive large returns from the cultivation of the inferior soils of Norway. In the adjoining Kingdom of Sweden we find insecurity, accompanied by poverty and wretchedness. In Spain, we find insecurity and a scattered population deriving a miserable support from the most fertile soil, while in New England we found a more dense population deriving the largest returns to labour from the worst soils.

We trust the reader is now satisfied, that with the increase of population there is a *tendency* to improvement in the condition of man, and that it would be found uniformly accompanying increase in the density of population, were it not that man has been more disposed to plunder his neighbours than to work for himself. He has sought for wealth and obtained poverty and wretchedness. He has sought for *glory* and has obtained ignorance, vice, and immorality. He has forgotten the golden rule, "do unto others as you would have others do unto you," obedience to which would have insured him the enjoyment of security and the power to accumulate capital, with a constant improvement of moral and physical condition, and would have given to India a higher degree of prosperity than France, England, or the United States.

NOTE ON INDIA.—That the reader may have before him more fully the state of insecurity existing even at the present moment, we give him the following account of the manner in which justice is administered in the King's Courts in Madras and Bengal:

"The expenses of litigation in England are so heavy, that people daily sit down under wrongs and submit to losses rather than go to law; and yet the English are the richest people in the world. The people of India are poor, and the expense of litigation in the Supreme Court is five times as great as the expense of litigation in Westminster Hall. An undefended cause, which might be prosecuted successfully in the Court of King's Bench for about 8*l.* sterling, cannot be prosecuted in the Supreme Court under 40*l.* sterling. Where our English barrister receives a guinea, a barrister here receives two gold mohurs, more than three guineas. For making a motion of course an English barrister receives half a guinea, a barrister here receives a gold mohur. Officers of the court are enabled to accumulate in a few years, out of the substance of ruined suitors, fortunes larger than the oldest and most distinguished servant can expect to carry home after thirty or forty years of eminent services. I speak of Bengal, where the system is in full operation. At Madras, the Supreme Court has, I believe, fulfilled its mission. It has done its work; it has beggared every rich suitor within its jurisdiction, and is in-

active for want of somebody to ruin. This is not all. Great as the evils of the Supreme Court really are, they are exaggerated by the apprehension of the natives to a still more frightful magnitude. The terror with which it is regarded by them is notorious. Within the last few months, in consequence of an attempt made by some persons connected with that court to extend its jurisdiction over the suburbs of Calcutta, hundreds of respectable and wealthy natives petitioned the government, in language indicating the greatest dismay—'to give to every English defendant, in every civil suit, a right to bring the native plaintiff before the Supreme Court, is to give to every dishonest Englishman an immunity against almost all civil prosecution.' "

Such is the character of these courts given by Mr. Macauley, now occupying a high station in the government of India, and such is the system under which it is expected that India will become prosperous and happy!

## CHAPTER XVI.

## SUMMARY.

THE proposition with which our First Part concluded was,

“That, as capital increases, population becomes more dense, and the inferior soils are brought into action with a constantly increasing return to labour, men are enabled to benefit by the co-operation of their neighbours, and habits of kindness and good feeling take the place of the savage and predatory habits of the early period. Poverty and misery gradually disappear, and are replaced by ease and comfort. Labour becomes gradually less severe, and the quantity required to secure the means of subsistence is diminished, by which he is enabled to devote more time to the cultivation of his mind. His moral improvement keeps pace with that which takes place in his physical condition, and thus the virtues of civilization replace the vices of savage life.”

We had, however, evidence that population had in many countries increased in density without either physical or moral improvement having taken place, and to ascertain the causes thereof, it became necessary to prosecute the inquiry just completed, the result of which we now offer to the reader in the following propositions.

I. That security of person, and perfect freedom of action—security of property, and perfect freedom in its employment—are essential to the productive application of labour.

II. That man associates with his fellow man with a view to obtain security.

III. That in the infancy of society, when population is thinly scattered over the land, and when the superior soils only are cultivated, a very large *proportion* of the labour of the community is employed in the endeavour to maintain security, which nevertheless exists in a very limited degree.

IV. That with the increase of capital man is enabled to draw nearer to his fellow man; population becomes more dense, and a *constantly increasing security* is obtained at the cost of a *constantly diminishing proportion* of the labour of the community.

V. That, therefore, while labour is constantly increasing in its productive power, a constantly increasing *proportion* is left to be divided between the labourer and the capitalist.

VI. That with this diminution in the proportion required for

the maintenance of security, there is a constant diminution in the *necessity* for interference with the modes of employing either person or property.

VII. That the power of accumulating capital is constantly increasing, accompanied by a constant diminution in the *proportion* of the product of labour that can be claimed by the capitalist for permitting it to be used.

VIII. That, therefore, with the increase of population and of capital, there is a constant diminution in the *proportion* required by *both government and capitalist*, attended by a constant increase in the *proportion*, and a rapid increase in the *quantity, retained by the labourer*.

IX. That such have been the results observed in France, England, and the United States, as population has increased in density.

X. That such are likewise the results as we compare the *different portions of each country*, one with another.

XI. That such would likewise be the case as we compared the several countries, one with another, were it not that the policy of the several nations has been essentially different.

XII. That an examination of that policy shows that the people of INDIA have been unceasingly engaged in wars, attended with heavy expenditure; that they have destroyed the security of their neighbours, and have enjoyed none themselves; that the government has required a *constantly increasing proportion* of the product of labour, with a constantly increasing interference with the employment of both person and property, preventing increase of capital and increase of production, and *diminishing the proportion retained by the labourer*. That FRANCE has also been engaged in ruinous wars—that she has destroyed the security of her neighbours and has enjoyed little herself—that her expenditure has been great—that there has been no freedom in the employment of labour or capital—that capital has increased slowly—that *the proportion* of the labourer has increased slowly—and that there has been a slow improvement of condition. That ENGLAND has done less than France to impair the security of others, and has therefore enjoyed more herself—that there has been a constant increase in the freedom with which labour and capital might be employed—that capital has grown rapidly—that production has increased—and that the labourer has been enabled to retain *a large proportion* of the product. That the UNITED STATES have abstained from wars—that unproductive expenditure has been small—that restraints have

been few in number—that capital has increased rapidly—that production is great—that the proportion of the labourer is large—and that both capitalist and labourer enjoy a larger reward than in any other part of the world, notwithstanding the scattered nature of their population.

XIII. That every improvement in the *quality* is attended by a diminution in the *quantity* and severity of labour.

XIV. That it is also accompanied by a diminution in the proportion of the product thereof that can be claimed by the owner of capital.

XV. That there is therefore a constant tendency to approximation in the condition of the labourer and capitalist.

XVI. That while the labourer experiences a constantly increasing facility in becoming a capitalist, the constant diminution in the severity of application and the constant increase of reward offer to the owner of capital great inducements to exertion.

XVII. That the *constant reduction in the proportion of the latter*, although attended by a constant *increase of quantity*, being also accompanied by a *constant improvement in the general standard of living*, produces a *necessity* for the exertion of his faculties.

XVIII. That thus with the increase of population and of capital there is a constant improvement in the condition of both labourer and capitalist, attended by a constantly increasing necessity for the exertion of their talents, and producing a constantly increasing facility for passing upwards from the one class to the other, as is seen in England and still more in the United States.

XIX. That where the increase of population is attended by a *diminution* in the ratio which capital bears thereto, there is a *constant deterioration* in the condition of both labourer and capitalist, accompanied by a *depression in the general standard of living*. The smaller capitalists become labourers. The reward of talent is constantly falling. The distance between the highest and lowest classes of society is constantly increasing, attended by a constantly increasing difficulty in passing upwards from the one class to the other, as is seen in India.

XX. That wars and unproductive expenditure, and restrictions upon the employment of labour and capital, tend to perpetuate and to increase inequality of condition, and to maintain a low standard of living, while peace, economy, and freedom of action tend to remove inequalities, and to exalt the general standard of living.

XXI. That with increased facility in providing for physical

wants, there is a constant increase in the proportion of the product of labour that may be applied to the promotion of intellectual and moral improvement.

XXII. That accordingly with the growth of population and of wealth, there is a constant increase in the proportion which the institutions for education and for religious instruction bear to the population, and an equally constant increase in the disposition to aid in supporting them.

XXIII. That there is likewise an increase in the disposition to provide relief for the aged and infirm, and those who, by other causes, are rendered unable to provide for themselves.

XXIV. That thus with the physical improvement of man we find a constant improvement in his moral and intellectual condition, as is shown in the United States and England.

XXV. That with physical deterioration we find a constant moral and intellectual deterioration, as is shown in India.

XXVI. That wars and unproductive expenditure, and restraints upon the employment of labour and capital, tend to prevent both physical and moral improvement.

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XXVII. That the maintenance of perfect security of person and of property, and of perfect freedom in the employment of both, is attended by increased productiveness of labour, rapid growth of capital, and great moral and intellectual improvement, and that both capitalist and labourer are benefited thereby, whereas every diminution of security and every interference with the mode of employment of either person or property tends to diminish production, to prevent the growth of capital, and to prevent improvement.

XXVIII. That the interests of all parties are therefore precisely the same, and that it is impossible to adopt measures tending to the injury of one class, without causing, at the same time, injury to all other classes.

XXIX. That thus the great command, "do unto others as you would have others do unto you," may be made the rule of action, with a full confidence that it is the one which most tends to promote increase of population and of capital, enabling man to resort to the inferior soils with a constantly increasing return to his labour, and tending to produce universal improvement of condition, both physical and moral.

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XXX. That existing restraints upon action or upon the employment of capital, should be abated.

XXXI. That the same great command would induce the adoption of such measures as would accomplish the end desired with the least injury to others, and that obedience thereto would tend most to the advantage of all.

XXXII. That violent action, even in the removal of restraints, tends to produce disturbance and insecurity—to diminish production—to prevent the accumulation of capital.

XXXIII. That gradual action tends to produce improvement without impairing security—to accomplish the end desired with the least injury to our fellow men—and that it is most in harmony with the system of nature, whose most beneficial action is seen to be the most gradual.

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XXXIV. That high wages and high profits of capital, and a high physical and moral condition should accompany density of population, but that wars and unproductive expenditure may prevent increase of capital and improvement of condition, as is the case in India—or retard them, as in France.

XXXV. That a constant continuance of peace and moderation of expenditure may enable even a scattered population to attain a high moral and physical condition, as is seen in the United States, and particularly in that portion styled New England.

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We shall now proceed to inquire into the Law of Population, and endeavour to ascertain how far the phenomena observed are in accordance with the views we have submitted.

END OF PART THE SECOND.







PRINCIPLES  
OF  
POLITICAL ECONOMY.

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PART THE THIRD:  
OF  
THE CAUSES WHICH RETARD  
INCREASE IN THE NUMBERS OF MANKIND.

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PART THE FOURTH:  
OF  
THE CAUSES WHICH RETARD  
IMPROVEMENT IN THE POLITICAL CONDITION OF MAN.

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BY H. C. CAREY,  
AUTHOR OF AN ESSAY ON THE RATE OF WAGES.

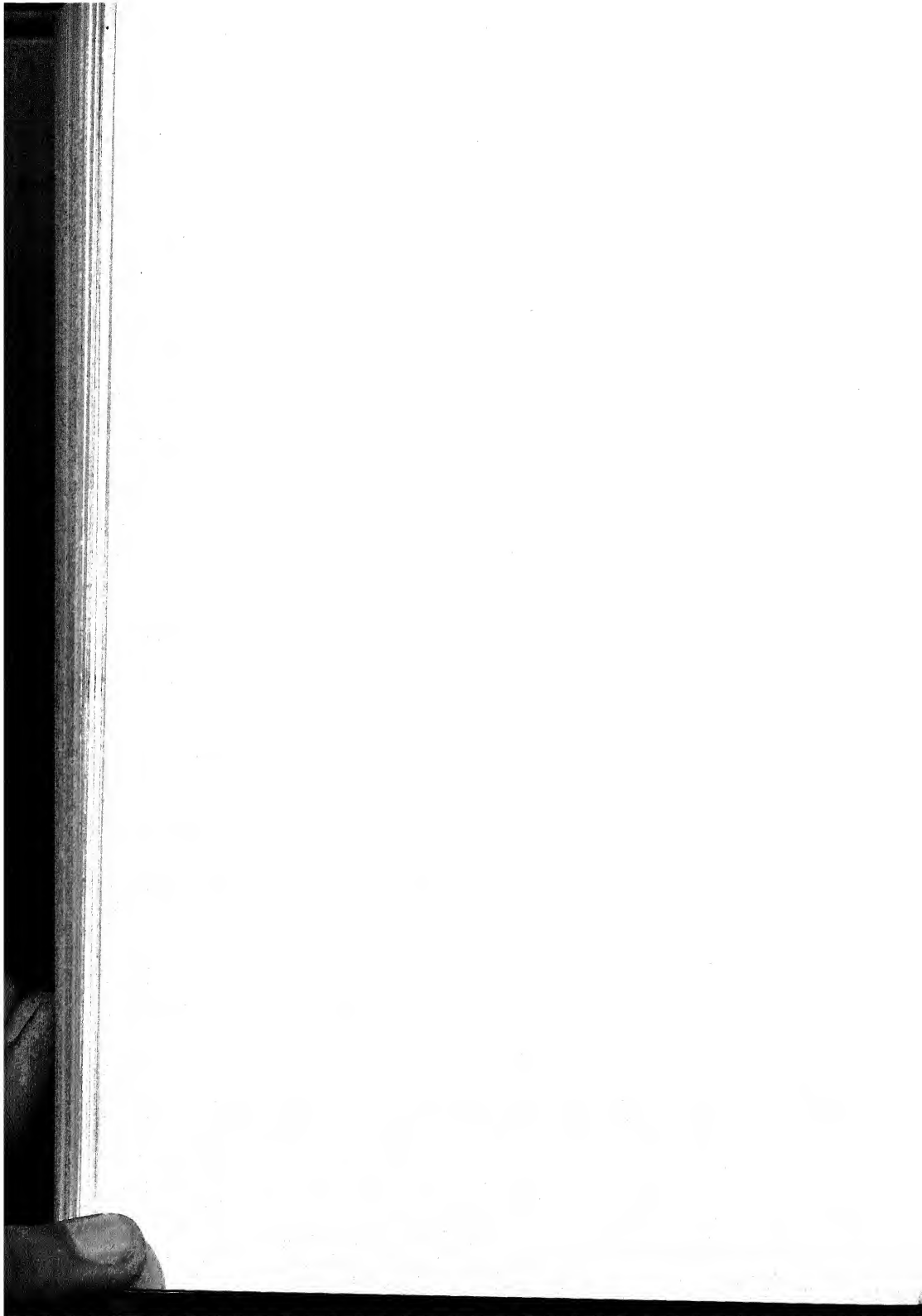
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"All discord harmony not understood."—POPE.  
"God hath made man upright, but they have sought out many inventions."—  
ECCLESIASTES.

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PHILADELPHIA:  
LEA & BLANCHARD.  
LONDON:  
JOHN MILLER,  
HENRIETTA STREET—COVENT GARDEN.

1840.



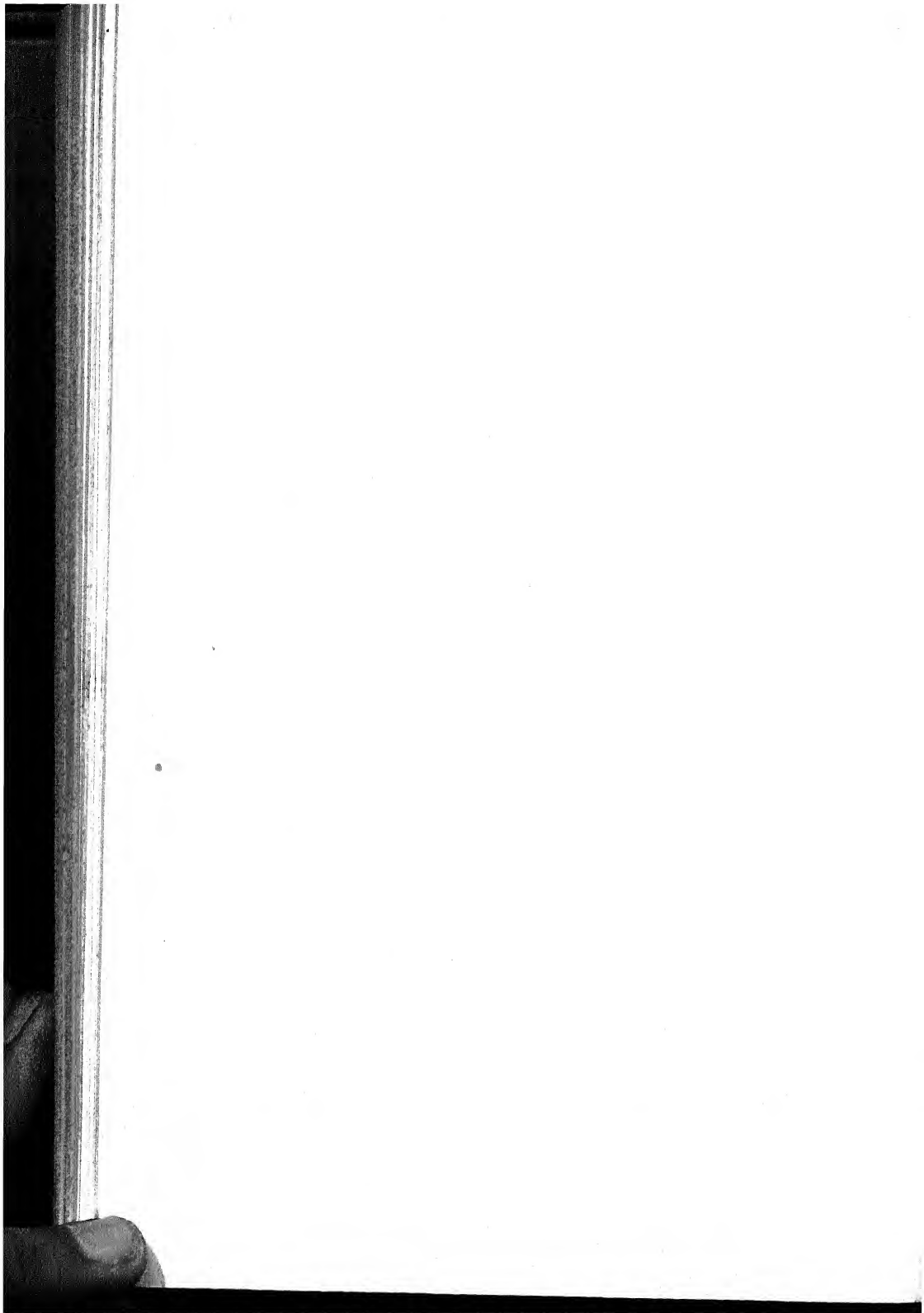
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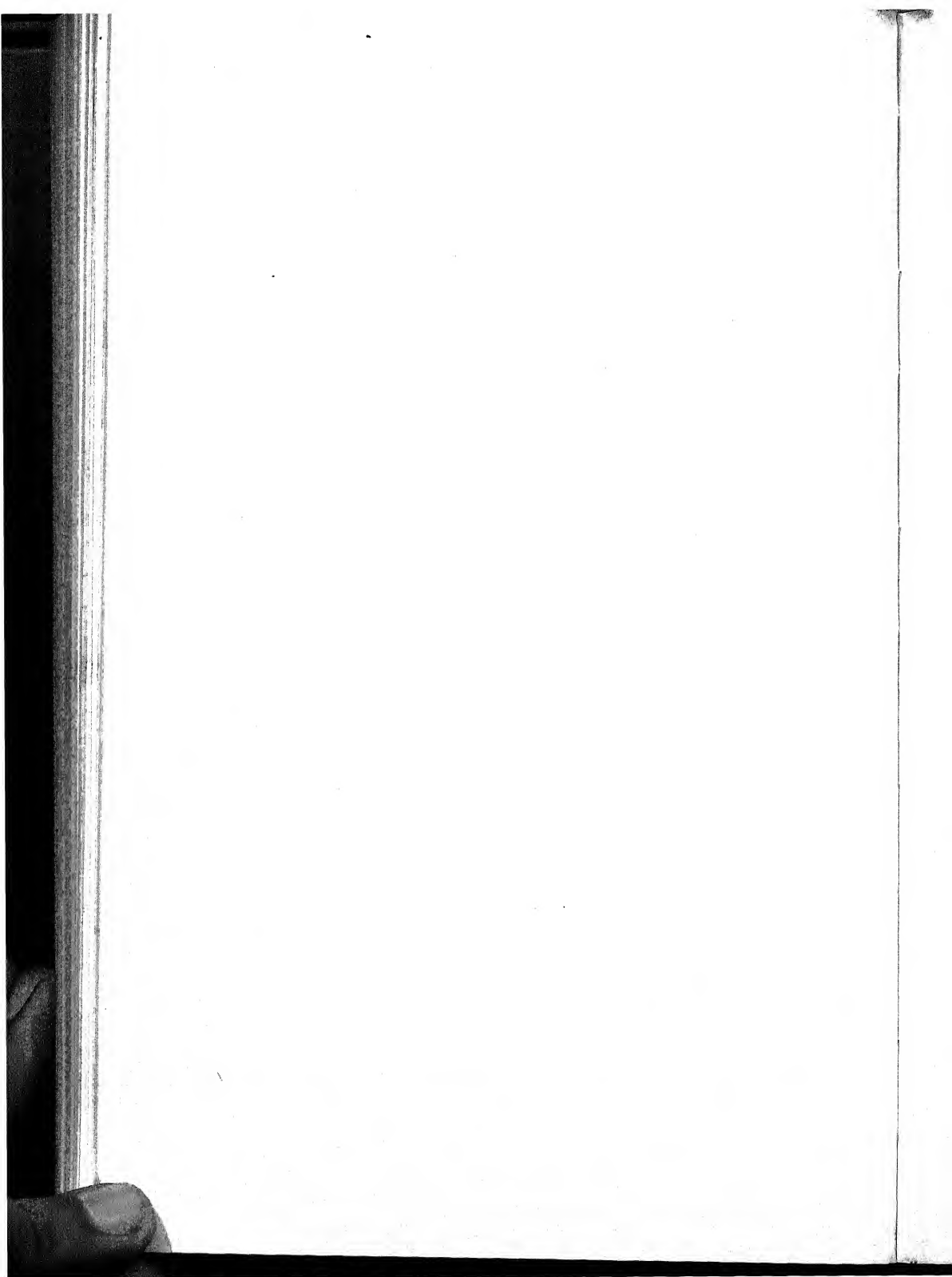
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## ERRATA.

- Page 14, line 6 from foot, *for* "in the same," *read* "in a similar."  
19, head of first column of table, *for* "population," *read* "white population."  
33, line 14, *for* "observed," *read* "observes."  
43, line 9 from foot, *for* "migrating," *read* "migratory."  
45, line 4 from foot, *for* "below," *read* "between."  
47, line 11 from foot, *for* "be in," *read* "bear the."  
55, last line of Note, *for* "almost," *read* "above."  
56, line 26, *for* "20," *read* "26."  
84, line 3, *for* "rate," *read* "ratio."  
95, line 6 from foot, *for* "constitutes," *read* "consists."  
123, line 25, *for* "imposts and revenue," *read* "imposts for revenue."  
126, line 3, *for* "object," *read* "objects."  
146, line 9, *for* "is," *read* "was."  
176, line 16, *for* "1640," *read* "1642."

NOTE.—At page 49, in illustration of the worthlessness of a large portion of the statistical information from which it is attempted to deduce laws that are in direct opposition to the experience of every man who has no theory to support, it is said that—"Even in England it is a matter of question, whether the deaths are 1 in 47.2; 1 in 50; 1 in 54; 1 in 58; or 1 in 59." Since that was printed, the Report of the Registrar-General gives the number of deaths in England and Wales at 335,056, which is about 1 in 45 of the population. The births reported exceed the deaths about 64,000, or less than one-half of 1 per cent., at which rate it would require almost a century and a-half for the population to double, whereas the period required therefor is short of half a century.

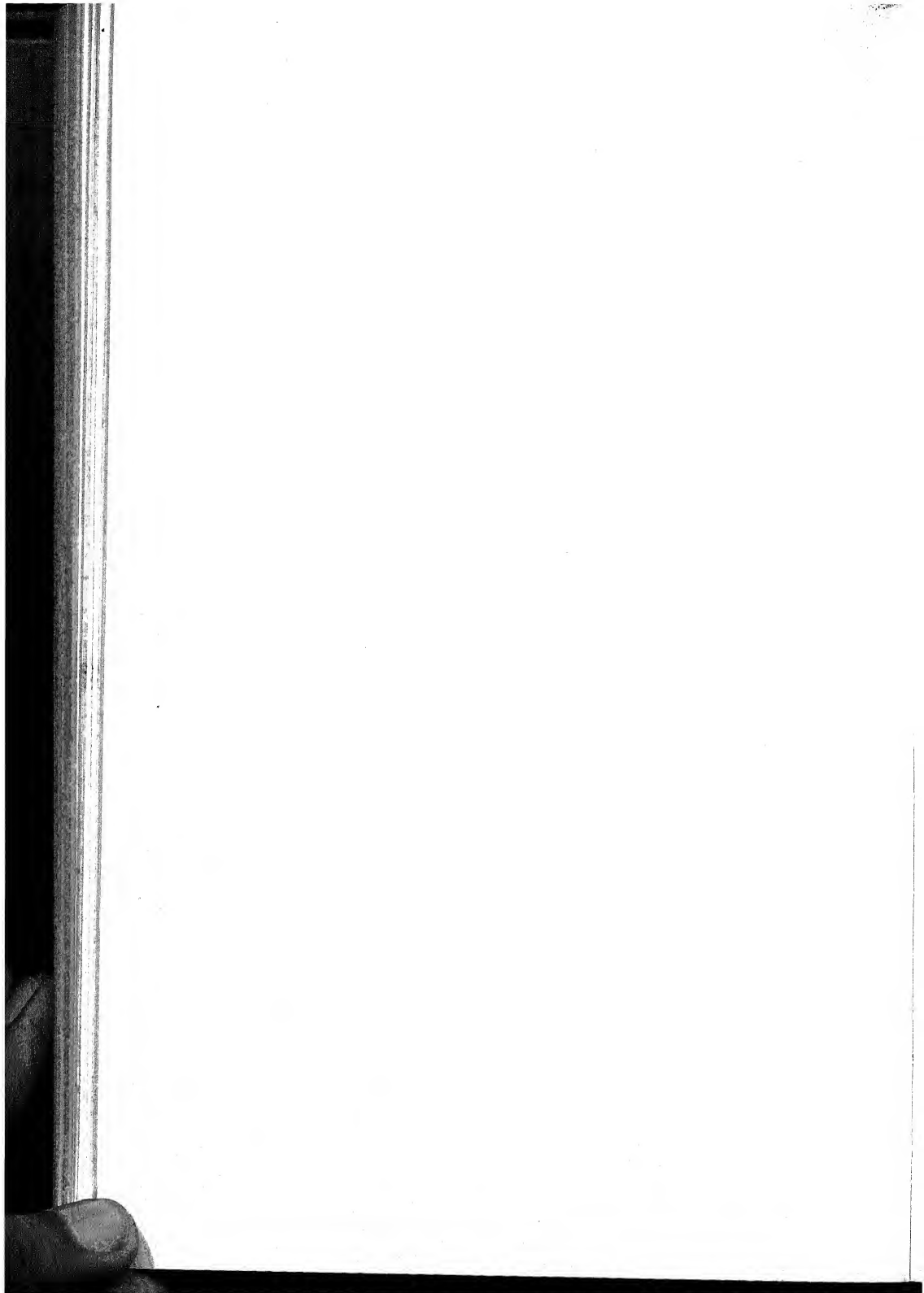


PRINCIPLES  
OF  
POLITICAL ECONOMY.

PART THE THIRD:

OF  
THE CAUSES WHICH RETARD  
INCREASE IN THE NUMBERS OF MANKIND.





**PRINCIPLES**  
**OF**  
**POLITICAL ECONOMY.**

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**PART THE THIRD.**

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**CHAPTER I.**  
**OF THE LAW OF POPULATION.**

THE desire of improving his condition prompts man to apply himself to the production of those commodities which constitute wealth, and to take a wife to share with him his labours and his enjoyments. The necessary consequence is, an increase of population. We have now to inquire into the laws of that increase.

The following table shows what would be the product of a single couple in 250 years, under the most favourable circumstances. In constructing it, we have supposed the average product of a marriage to be  $5\frac{1}{2}$  children, of whom 4 live to marry at 23 years, and die at the age of 55. One-fourth of the children are thus supposed to die before attaining maturity, and of course to exercise no influence on the growth of population. They are therefore rejected entirely. The proportions throughout are precisely the same as if we had commenced with  $2\frac{2}{3}$  persons, and had inserted all the children, productive and unproductive. By rejecting the  $\frac{2}{3}$  in the first instance, and subsequently rejecting all unproductive children, the calculation is greatly simplified.

TABLE I.

Year.	Marri- ages.	Births.	Total Births.	Deaths.	Liv- ing.	Year.	Marri- ages.	Births.	Total Births.	Deaths.	Liv- ing.
1	..	2	2	..	2	52	..	1	8	..	8
2	..	..	..	..	2	53	1	..	..	..	8
3	..	..	..	..	2	54	..	2	10	..	10
4	..	..	..	..	2	55	..	..	..	2	8
5	..	..	..	..	2	56	..	1	11	..	9
6	..	..	..	..	2	57	..	1	12	2	10
7	..	..	..	..	2	58	..	1	13	..	11
8	..	..	..	..	2	59	..	..	..	..	11
9	..	..	..	..	2	60	..	..	..	..	11
10	..	..	..	..	2	61	..	1	14	..	12
11	..	..	..	..	2	62	..	..	..	..	12
12	..	..	..	..	2	63	..	..	..	..	12
13	..	..	..	..	2	64	..	..	..	..	12
14	..	..	..	..	2	65	..	..	..	..	12
15	..	..	..	..	2	66	..	..	..	..	12
16	..	..	..	..	2	67	..	..	..	..	12
17	..	..	..	..	2	68	..	..	..	..	12
18	..	..	..	..	2	69	..	..	..	..	12
19	..	..	..	..	2	70	..	..	..	..	12
20	..	..	..	..	2	71	..	..	..	..	12
21	..	..	..	..	2	72	..	..	..	..	12
22	..	..	..	..	2	73	..	..	..	..	12
23	1	..	..	..	2	74	1	..	..	..	12
24	..	1	3	..	3	75	..	1	15	..	13
25	..	..	..	..	3	76	..	..	..	..	13
26	..	1	4	..	4	77	1	1	16	..	14
27	..	..	..	..	4	78	..	1	17	..	15
28	..	1	5	..	5	79	..	1	18	1	15
29	..	..	..	..	5	80	1	1	19	..	16
30	..	..	..	..	5	81	..	1	20	1	16
31	..	1	6	..	6	82	..	2	22	..	18
32	..	..	..	..	6	83	1	1	23	1	18
33	..	..	..	..	6	84	..	1	24	..	19
34	..	..	..	..	6	85	..	2	26	..	21
35	..	..	..	..	6	86	..	1	27	1	21
36	..	..	..	..	6	87	..	..	..	..	21
37	..	..	..	..	6	88	..	2	29	..	23
38	..	..	..	..	6	89	..	..	..	..	23
39	..	..	..	..	6	90	..	..	..	..	23
40	..	..	..	..	6	91	..	1	30	..	24
41	..	..	..	..	6	92	..	..	..	..	24
42	..	..	..	..	6	93	..	..	..	..	24
43	..	..	..	..	6	94	..	..	..	..	24
44	..	..	..	..	6	95	..	..	..	..	24
45	..	..	..	..	6	96	..	..	..	..	24
46	..	..	..	..	6	97	..	..	..	..	24
47	..	..	..	..	6	98	..	..	..	..	24
48	..	..	..	..	6	99	1	..	..	..	24
49	1	..	..	..	6	100	..	1	31	..	25
50	..	1	7	..	7	101	..	..	..	..	25
51	..	..	..	..	7	102	1	1	32	..	26

Year.	Marriages.	Births.	Total Births.	Deaths.	Living.	Year.	Marriages.	Births.	Total Births.	Deaths.	Living.
103	1	1	33	..	27	157	2	5	141	1	109
104	..	2	35	..	29	158	2	5	146	1	113
105	1	1	36	1	29	159	3	5	151	2	116
106	..	2	38	..	31	160	2	8	159	1	123
107	1	2	40	1	32	161	2	7	166	2	128
108	1	3	43	..	35	162	2	8	174	2	134
109	..	1	44	2	34	163	2	8	182	3	139
110	1	3	47	..	37	164	2	9	191	1	147
111	..	3	50	1	39	165	1	8	199	3	152
112	1	1	51	1	39	166	1	7	206	3	156
113	..	4	55	1	42	167	2	8	214	1	163
114	..	..	..	..	42	168	1	6	220	4	165
115	..	3	58	..	45	169	1	6	226	..	171
116	..	1	59	1	45	170	1	6	232	3	174
117	..	1	60	..	46	171	..	5	237	1	178
118	..	1	61	..	47	172	..	6	243	1	183
119	..	..	..	..	47	173	1	2	245	1	184
120	..	1	62	..	48	174	..	3	248	..	187
121	..	..	..	..	48	175	1	2	250	1	188
122	..	..	..	..	48	176	..	3	253	..	191
123	..	..	..	..	48	177	1	1	254	..	192
124	1	..	..	..	48	178	1	4	258	..	196
125	..	1	63	..	49	179	1	1	259	..	197
126	..	..	..	..	49	180	3	3	262	1	199
127	1	1	64	..	50	181	3	5	267	..	204
128	1	1	65	..	51	182	2	5	272	1	208
129	1	2	67	..	53	183	4	7	279	1	214
130	1	2	69	1	54	184	3	8	287	2	220
131	1	2	71	..	56	185	4	9	296	2	227
132	1	4	75	1	59	186	5	12	308	2	237
133	2	3	78	1	61	187	4	11	319	4	244
134	1	4	82	1	64	188	4	15	334	3	256
135	1	4	86	1	67	189	4	15	349	4	267
136	1	5	91	1	71	190	4	14	363	4	277
137	1	4	95	2	73	191	3	17	380	5	289
138	1	5	100	1	76	192	4	14	394	4	299
139	1	4	104	1	79	193	2	16	410	5	310
140	..	4	108	2	81	194	2	14	424	4	320
141	..	4	112	1	84	195	2	15	439	4	331
142	1	3	115	..	87	196	1	11	450	4	338
143	..	3	118	2	89	197	2	11	461	3	346
144	..	2	120	..	91	198	1	10	471	3	353
145	..	2	122	..	93	199	1	7	478	2	358
146	..	1	123	1	93	200	1	9	487	2	365
147	..	2	125	..	95	201	2	5	492	1	369
148	..	..	125	..	95	202	1	8	500	2	375
149	1	..	125	..	95	203	1	5	505	..	380
150	..	2	127	..	97	204	2	5	510	..	385
151	..	..	127	..	97	205	3	6	516	2	389
152	1	1	128	..	98	206	4	8	524	..	397
153	1	1	129	..	99	207	4	8	532	1	404
154	1	2	131	..	101	208	4	9	541	1	412
155	2	2	133	1	102	209	6	12	553	2	422
156	2	3	136	..	105	210	5	13	566	2	433

Year.	Marri- ages.	Births.	Total Births.	Deaths.	Liv- ing.	Year.	Marri- ages.	Births.	Total Births.	Deaths.	Liv- ing.
211	8	14	580	3	444	236	10	23	1113	5	846
212	8	20	600	5	459	237	12	28	1141	5	869
213	7	20	620	5	474	238	13	32	1173	7	894
214	8	25	645	5	494	239	13	34	1207	8	920
215	7	25	670	8	511	240	15	42	1249	9	953
216	8	26	696	7	530	241	13	44	1293	12	985
217	7	30	726	8	552	242	15	45	1338	11	1019
218	7	26	752	8	570	243	14	53	1391	15	1057
219	6	31	783	9	592	244	15	50	1441	15	1092
220	6	28	811	8	612	245	13	57	1498	14	1135
221	5	28	839	7	633	246	11	53	1551	17	1171
222	3	26	865	8	651	247	* 12	54	1605	14	1211
223	4	23	888	7	667	248	9	54	1659	16	1249
224	3	23	911	6	684	249	10	48	1707	14	1283
225	4	19	930	6	697	250	7	50	1757	15	1318
226	2	20	950	4	713						
227	3	14	964	6	721		482			439	
228	3	17	981	2	736						
229	4	13	994	3	746	251 to 258, - - *			173		
230	4	14	1008	2	758				1930		
231	4	13	1021	3	768						
232	7	14	1035	1	781	482 Marriages × 4,			1928		
233	6	18	1053	4	795	First couple, - -			2		
234	7	16	1069	1	810						
235	10	21	1090	3	828				1930		

Here we find the period of duplication to be 27 years, as follows:

Year 134,	-	64 persons.
161,	-	128
188,	-	256
215,	-	511
242,	-	1019

If the period of matrimony be delayed to 25 years, and the productive children be born in the first, fourth, seventh, and tenth years, and the duration of life be diminished to 50 years, the period of duplication will be 30 years. To obtain a more rapid increase than is given in the above table we must have more children, or longer lives, or both.

If we suppose the unproductive children born in the second and fourth years, and to die at the age of one, five, and fifteen years, we shall obtain 43 years as the average duration of life, as follows:

\* These births, resulting from the latest marriages, are here added only with a view to show that the total births correspond with the total number of marriages.

4 of 55 years,	-	-	220
1½ of 1, 5, and 15, average 7,			9½
			<hr/> 229½
5½ of 43 years,	-	-	229½
			<hr/>

In order to ascertain what proportion the marriages, births, and deaths bear to the whole population, it is necessary to inquire how many of the unproductive births would be living in any given period, and we therefore give the following table of the births and deaths of that class, that would take place in the years from 223 to 250. In preparing it, to avoid the necessity for using fractions, we have stated the whole in *thirds*, so that *three* represent a single birth or death.

TABLE II.

Years.	Births. <i>Thirds.</i>	Deaths. <i>Thirds.</i>	Living. <i>Thirds.</i>	Years.	Births. <i>Thirds.</i>	Deaths. <i>Thirds.</i>	Living. <i>Thirds.</i>
224	18	21	119	239	44	31	110
225	18	19	118	240	46	35	129
226	12	18	112	241	50	36	135
227	16	18	110	242	56	41	150
228	10	17	103	243	52	39	163
229	14	18	99	244	60	46	177
230	10	16	93	245	54	42	189
231	14	19	88	246	60	47	202
232	14	17	85	247	54	44	212
233	16	19	82	248	52	45	219
234	22	21	83	249	50	44	225
235	20	21	82	250	40	40	225
236	28	24	86				
237	32	26	92				
238	34	29	97				
					896	793	3577

One-third of which would be - - - - - 298½      264½      1192½

The number of unproductive births in this period would therefore be 299, and there would be 264 deaths out of the same class. The whole number of that class living in the period referred to, would be 1192, giving an annual average of 44.

The average of productive population, existing between

the years 223 and 250, agreeably to Table I., is - 890

That of unproductive population, per Table II., - 44

Average population, - - - 934

Of these there would be, of 23 years and upwards, mar-

ried, or fit to contract matrimony, - - - 489

The number of marriages in the same period is 239, giving an annual average of 9, being 1 in 104 of the total population, or 1 in 54 of the population of mature age, estimated at 23 years.

The number of births in the same period, is - - - 1168  
annual average 43, or 1 in 22.

The deaths in the same period, are - - - - - 480  
annual average 18, or 1 in 52.

These quantities are probably the lowest in regard to deaths, and the highest in relation to marriages and births, that are likely to occur in the existing condition of man, and afford the maximum rate of increase.

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We have now to consider the effect produced by emigration in diminishing the rate of increase, and of immigration in augmenting it. With the increase of population and of capital, men are enabled gradually to bring into cultivation soils that *by distance*, or by difference of quality, are inferior to those that were originally cultivated, with a constantly increasing return to labour; and thus while population is becoming daily more dense in the neighbourhood of the great centre of capital, it is also daily extending itself over a wider space. It is sometimes asserted, that if land would always yield in proportion to the quantity of labour and capital applied to it, there would be no need to cultivate more than a single farm, or a single district, for the supply of any number of inhabitants; and because such cannot be the case, it is assumed that every fresh application of capital and labour to cultivation, must be attended with a diminished return. If we were to attempt to erect a *column* of earth, or of sand, we should speedily attain the greatest elevation of which it was capable, for the simple reason that the *form* was artificial. If we were to compel a family and its descendants to remain permanently upon the same soil, living upon its produce, and performing no exchanges with their neighbours, we should soon find the same result. For a given time, increase of population would be attended by increase of capital and improved means of living, but when the whole land was cultivated, as well as their skill and capital permitted, every increase of population

would probably be accompanied with diminished means of support, for want of the power of combining with their neighbours for the improvement of their means of production. The removal of restrictions upon exchanges would enable them to obtain ploughs and harrows, scythes, cradles, and horse-rakes, each of which in succession would tend to the increase of their productive power, until at length it would be found that the same tract of land would give increased means of subsistence to five, ten, or twenty times the amount of the population that had before with difficulty existed upon it. We should fail in attempting to erect a column 300 feet in height, and if we were to attempt to compel a family of savages to remain upon a single square mile of surface, they would be ready to eat each other before it amounted in numbers to 10; but if we were to permit the materials of which the column was composed, to range themselves naturally, we might continue to pile mass upon mass until the height was equal to that of the Cordilleras; and if we permitted the savages to associate with their neighbours, and to perform exchanges with them, they might become civilized, and go on to increase until there were 300, or perhaps 500 to a square mile, each living far better than did the members of the original family.

In the latter case the materials form *a pyramid*, the base of which increases with the elevation, and the broader the one the greater is the height to which the other may be carried. So is it with population. There is a natural tendency to expansion as well as elevation, and when the former is least interfered with, the higher may the latter rise.

With the increase of population and capital, men descend deeper into the bowels of the earth, deriving increased reward from bringing into activity the inferior soils, whether of clay, sand, coal, or iron, while they diffuse themselves more extensively over the surface, the difference of distance being compensated by superiority of soil, or greater facility of access; and with every such diffusion there is an increase in the return to labour, an improvement in physical and moral condition, and an increased facility of accumulating capital. The pyramid rises higher daily, and with every foot of increased elevation there is an improvement in the machinery by which



we are enabled to make further additions to its height. The whole earth is to be rendered tributary to man, and the more rapid the increase of capital, the greater will be the tendency to the occupation of those portions of it which yet remain in a state of nature, and the higher will be the physical, moral, and intellectual elevation to which the great centres of civilization must rise. With the increase of wealth there must therefore be a constant increase in the tendency to emigration, kept in check by the constant increase in the power of applying labour profitably at home.

If we suppose one family of  $2\frac{2}{3}$  persons to arrive in a settlement, in each of the above 27 years, the whole number arriving would be 72 persons, of whom 54 would be productive, and 18 unproductive. They would be nearly  $\frac{3}{10}$  of 1 per cent. of the average population of the years from 224 to 250, both inclusive. At the close of the period there would be living 146 immigrants and their descendants, as follows:

	Immigrants.	Product in 26 years.	Living.
224	2	7	2
225	2	6	5
226	2	6	6
227	2	6	12
228	2	6	16
229	2	6	21
230	2	6	26
231	2	6	31
232	2	6	37
233	2	6	43
234	2	6	49
235	2	6	55
236	2	6	61
237	2	6	67
238	2	6	73
239	2	6	79
240	2	6	85
241	2	6	91
242	2	6	97
243	2	5	103
244	2	5	109
245	2	5	115
246	2	4	121
247	2	4	127
248	2	3	133
249	2	3	139
250	2	2	146
	54	146	Average 68

Those living in the year 250, would be composed of

Immigrants,	-	-	54
Their offspring,	-	-	92
			<hr/>
			146

The number of deaths would have been as follows:

Immigrants,	-	-	18
Children,	-	-	30
			<hr/>
			48

The average number of immigrants and children existing during this period would be 68, which added to the population already given (934,) would make 1002.

The annual average of births would be  $4\frac{1}{2}$ , which added to 43, the number already given, would make  $47\frac{1}{2}$ , or nearly 1 in 21 of the population.

The annual average number of deaths would be  $1\frac{1}{2}$ , which added to 18 already given, would give 1 in 51 of the total population.

A population of 10,000, receiving an accession by immigration of  $\frac{3}{10}$  of 1 per cent., and in which the births were 1 in 21, and the deaths 1 in 51, would increase at the rate of  $3\frac{1}{10}$  per cent. per annum, and would double in little more than 23 years, as follows:

Original number,	-	-	10,000
Immigration,	-	-	30
Births,	-	-	476
			<hr/>
			10,506
Deaths,	-	-	196
			<hr/>
			10,310

The same population, without the aid of immigration, would require 27 years to double, so great is the effect produced by the addition of a very moderate number of persons of mature age.

In a country in which labour yielded a large return, enabling men to live comfortably and to improve their condition, we should find a strong disposition to matrimony. A high physical condition should make marriages productive. A high moral condition would forbid fornication and adultery, and promote marriage. There would be few bastard children, and nearly the whole addition to the population would be legitimate, the parents of which would be enabled to supply their wants until they were of age to provide for themselves. Disease would be limited in amount, and life would be long. Population would increase with rapidity.

On the contrary, where labour was unproductive and the labourer found it difficult to obtain food or clothing, the physical and moral condition of man would be low. The difficulty of maintaining a family would discourage matrimony, while the low state of morals would lead to fornication. Marriages would be few, and the low physical condition would tend to render them unproductive. A large portion of the children would be illegitimate, and all, legitimate and illegitimate, would suffer for want of care, a consequence of which would be that but a small portion would attain maturity. Want and exposure would tend to diminish the duration of life. Population would increase very slowly.

If these views be correct, we ought to find in those countries in which the power of producing wealth is great, a high ratio of marriages to population, and great fecundity, while the average duration of life should also be great. With a low productive power we ought to find marriages few in proportion to population, and the fecundity of marriages small, accompanied by a short average duration of life. With a view to ascertain if they be correct, we propose now to examine the course of population in various countries.

## CHAPTER II.

## MOVEMENT OF THE POPULATION OF FRANCE, THE NETHERLANDS, ENGLAND, AND THE UNITED STATES.

WE now proceed to give very briefly the movement of population in France, the Netherlands, England, and the United States, and will afterwards proceed to compare them with each other

## FRANCE.

In 1754, the population was estimated by Mirabeau,	
<i>père</i> , at - - - - -	18,000,107
In 1772, by the Abbe Expilly, at - - -	22,014,357
"    Buffon, - - - - -	21,672,777
In 1785, by Necker, - - - - -	24,800,000
In 1787, by the census, - - - - -	24,800,000
In 1815, " - - - - -	29,236,000
In 1832, " - - - - -	32,560,934

	Population.	Deaths.	Marriages.	Births.	Increase.
1815	29,236,000				
1816	29,436,000				
1817	29,636,000	748,223	206,244	944,125	195,902
1818	29,832,000	751,907	212,979	913,855	161,948
1819	29,994,000	788,055	215,088	987,918	199,863
1820	30,194,000	770,076	208,893	958,933	188,227
1821	30,382,000	751,214	221,868	963,358	212,144
1822	30,594,000	774,162	247,495	972,796	198,634
1823	30,793,000	742,735	262,020	964,024	221,286
1824	31,014,000	763,606	231,680	984,152	220,546
1825	31,235,000	798,012	243,674	973,986	175,974
1826	31,411,000	835,658	247,194	993,191	157,533
1827	31,569,000	791,125	255,738	980,196	189,071
1828	31,758,000	837,145	246,839	976,547	139,402
1829	31,897,000	803,453	248,796	964,527	161,074
1830	32,058,000	809,753	270,435	967,864	158,111
1831	32,216,000				
		10,965,124	3,318,943	13,545,482	2,579,715

The marriages here average 1 in 130 of the population. The births 1 in 31.8, and the deaths 1 in 39.3. The births are as 4.08 to each marriage, but when we deduct 952,000 illegitimates, they are reduced to 3.79. The population would double in about a century.

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KINGDOM OF THE NETHERLANDS.

Population in 1815,	-	-	5,424,502
1825,	-	-	6,013,478
Increase,	-	-	<u>588,976</u>

The ratio of increase continued nearly the same until the Revolution of 1830, being about  $1\frac{1}{10}$  per cent. per annum, at which rate it would double in 65 years.

During the above 10 years the births were 2,015,646—annual average, 201,564, or 1 to 28 of population, and 4.68 to each marriage.

The marriages were 430,247, or 43,024 per annum, being 1 in 132.

The deaths, 1,421,600—average 142,160, being 1 in 40.

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The following has been the progress of the population of ENGLAND and WALES:

1700,	-	5,134,516,	1770,	-	7,227,586,
1710,	-	5,066,337,	1780,	-	7,814,827,
1720,	-	5,345,351,	1790,	-	8,540,738,
1730,	-	5,687,993,	1800,	-	9,187,176,
1740,	-	5,829,705,	1810,	-	10,407,556,
1750,	-	6,039,684,	1820,	-	11,957,565,
1760,	-	6,479,730,	1830,	-	13,840,751,

In 60 years, from 1700 to 1760, the increase was little more than 25 per cent., whereas in the same period, from 1770 to 1830, it has almost doubled; and at the present rate it will double itself in about 45 years. Here we have evidence of the correctness of the views we have submitted. Increase of population and of capital being attended with improved means of living, population goes on to increase at a rate far

more rapid than was known when men were widely scattered and compelled to rely for support upon the superior soils, and were consequently poor.

The materials for ascertaining the movement of population in England, are exceedingly imperfect, and the consequence is that there is a very great difference of opinion in regard thereto. Mr. Porter informs us\* that the deaths are 1 in 58½. Mr. Rickman makes them 1 in 49. Sir Francis d'Ivernois says they are 1 in 59, and Mr. Edmonds makes them 1 in 47.2. The latter writer says,† "There is *now* no supposed authority adverse to my statement. Mr. Rickman has published his recantation, and the results given by him, in the *Medical Gazette*, December 19, 1835, do not differ more than *one per cent.* from the results previously published by me for each of the thirty-nine counties of England."

In the following table we have taken 1 in 49 as the number of deaths, believing that proportion to be as near the truth as any other. The births must be sufficient to replace the deaths and to give the annual increase. By adding the two together we obtain the number of births required. In the 10 years from 1811 to 1821, the increase was 18.05 per cent., whereas from 1821 to 1831, it was only 16.24 per cent. The cause of the difference is to be found in the excess of emigration over immigration, the number of emigrants from Great Britain in the five years, from 1825 to 1829, having been about 120,000. A large portion of these consists of persons between 20 and 40, who would have contributed towards the increase of the population; and their departure tends, of course, to diminish the number of births. The fourth column gives what may be supposed to have been the excess of emigration, and in the last column it will be found that the number of births is somewhat diminished, with a view to meet the deduction resulting from this cause. From 1811 to 1821, it is probable that emigration was balanced by immigration from Ireland and Scotland.

\* *Progress of the Nation*, p. 19.

† *Lancet*, September 10, 1836.

Date.	Population.	Loss by Death.	Loss by Emigration.	Annual Increase.	Annual Births.
1811	9,551,000	195,000		159,000	354,000
1812	9,710,000	198,000		162,000	360,000
1813	9,871,000	202,000		164,000	366,000
1814	10,036,000	205,000		167,000	372,000
1815	10,203,000	208,000		170,000	378,000
1816	10,373,000	212,000		173,000	385,000
1817	10,546,000	215,000		176,000	391,000
1818	10,722,000	219,000		179,000	398,000
1819	10,901,000	223,000		182,000	405,000
1820	11,083,000	227,000		185,000	412,000
1821	11,268,000*	230,000	15,000	170,000	415,000
1822	11,438,000	234,000	15,000	172,000	421,000
1823	11,610,000	238,000	15,000	175,000	428,000
1824	11,785,000	242,000	15,000	178,000	435,000
1825	11,963,000	245,000	15,000	181,000	441,000
1826	12,144,000	248,000	15,000	183,000	446,000
1827	12,327,000	251,000	15,000	186,000	452,000
1828	12,513,000	255,000	15,000	188,000	458,000
1829	12,701,000	259,000	15,000	191,000	465,000
1830	12,892,000	263,000	15,000	194,000	472,000
1831	13,096,000†	267,000	15,000	197,000	479,000
1832	13,293,000	271,000	15,000	200,000	486,000
1833	13,493,000	275,000	15,000	203,000	493,000
1834	13,696,000	279,000	15,000	206,000	500,000
1835	13,902,000	284,000	15,000	209,000	508,000
1836	14,111,000	289,000	15,000	212,000	516,000

By this table we obtain—

		Deaths.	Births.
From 1811 to 1815,	-	1,008,000	1,831,000
1816 1820,	-	1,096,000	1,991,000
1821 1825,	-	1,189,000	2,140,000
1826 1830,	-	1,276,000	2,293,000
<hr/>			
From 1821 to 1830,	-	2,465,000	4,433,000
Add for Wales,	- -	160,000	250,000
<hr/>			
		2,625,000	4,683,000
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Mr. Rickman‡ estimates the deaths in England and Wales, from 1821 to 1830, at 2,657,797, exceeding our statement above 32,000, and the births at 4,636,673, being less than that we have given by 47,000, or about 1 per cent. These differences are not very material.

\* The actual population in this year was 11,261,437.

† " " " 13,091,005.

‡ Preface to Population Tables, p. xlv.

The number of marriages is as follows:

		Brought up, 598,791,
1819, -	95,571,	1825, - 110,428,
1820, -	96,833,	1826, - 104,941,
1821, -	100,868,	1827, - 107,130,
1822, -	98,878,	1828, - 111,174,
1823, -	101,918,	1829, - 104,316,
1824, -	104,723,	1830, - 107,719,

Carried up, 598,791,

1,244,499,

Average, 103,708.

Population of the UNITED STATES, at different periods:

	White.	Slave.	Free Black.	Total.
1790,	3,172,464	697,897	59,465	3,929,826
1800,	4,304,489	893,041	108,395	5,305,925
1810,	5,862,004	1,191,364	186,446	7,239,814
1820,	7,861,710	1,538,038	232,524	9,632,272
1830,	10,526,248	2,009,043	319,599	12,866,020

The increase has been almost steadily 3 per cent. per annum, or about 33 per cent. in 10 years. From 1810 to 1820, that of the whites was 34 per cent., and from 1820 to 1830, 33.9 per cent.

The difficulty of obtaining accurate information in relation to the United States, is still greater than in relation to England, and to obtain a view of the movement of the population, we must adopt a course somewhat similar to that already adopted in regard to that country. In the following table we have assumed the deaths at 1 in 50, and the annual increase at a little less than 3 per cent. The result thus obtained exceeds, by a very small quantity, that given by the census, but the difference is unimportant. In constructing it, we have made allowance for immigration, commencing with 19,000 in 1815,\* and increasing it to 32,000 in 1830. This is more than is believed to be required, as during the first five years of the period (1815 to 1819) it was certainly exceedingly small, and afterwards, for some years, in-

\* From 1810 to 1814 was a period of disturbance, in which there was almost literally no immigration.



creased very slowly. From 1825 to 1829, it was much greater than it had previously been, but even in those years, the whole number of passengers, American and European, arriving in the ports of the United States, did not average 20,000.\* From

\* The best information that can now be obtained on the subject of immigration, is contained in the following passage from Seybert's Statistical Annals, p. 28. "In 1794, the emigrants who arrived during that year were estimated at 10,000,† and in 1806, Mr. Blodget said,‡ from the best records and evidence at present attainable, the emigrants who arrived in the United States did not average more than 4,000 per annum during the 10 preceding years. In 1794, the people in Great Britain were very much disposed to come to the United States; but this current was soon checked by the acts of the British government. Though we admit that 10,000 foreigners may have arrived in the United States in 1794, we cannot allow that they did so, in an equal number, in any preceding or subsequent year, until 1817. There were many difficulties in the way of emigrants; some were deterred from the false reports which were industriously circulated concerning the healthiness of our climate; the British system of impressment alarmed others; thirty persons had been impressed from on board a single passage-ship, &c. \* \* \* \* \* In 1817, the emigrants were probably more numerous than in any preceding year." Dr. Seybert then gives a statement of the whole number of passengers, American and foreign, arriving in the ports of the Union in that year, the amount of which is 22,240. From 1817 to 1825, we have no information; but since that time we have an authentic account of all passengers, foreign and American, arriving in the various ports of the Union.

*Statement, showing the number of Passengers arriving in the United States, from the 1st October, 1825, to the 30th September, 1836, inclusive.*

Years.	Males.	Females.	Sex not stated.	Total.
1825	9,958	3,415	57	13,430
1826	14,082	6,438	1,133	21,653
1827	19,299	10,640	7	29,946
1828	12,707	4,588		17,295
1829	4,973	2,066		7,039§
1830	7,413	3,572		10,985§
1831	11,400	6,546		17,946
1832	25,458	13,976		39,434
1833	42,262	17,356		59,618
1834	42,770	22,999	1,669	67,438
1835	30,748	17,813	173	48,734
1836	51,335	28,686	820	80,841
Total,	272,405	138,095	3,859	414,359

TREASURY DEPARTMENT,

Register's Office, 14th September, 1837.

T. L. SMITH.

† Cooper's Information respecting America. London, 1795.

‡ Blodget's Statistical Manual, p. 75.

§ New York not given for these years.

this must be deducted all the Americans returning to their homes, and all those who went abroad and did not return. The whole accession to the population *by sea*, during the 15 years, could not have averaged 14,000, yet we have allowed an average of 25,000 for immigration by sea and land.

	Population.	Annual loss.	Annual increase.	Total production required.	Immigration.	Births.	
1810	5,832,000	117,000	175,000	292,000		292,000	
1811	6,037,000	120,000	180,000	300,000		300,000	
1812	6,217,000	124,000	185,000	309,000		309,000	
1813	6,402,000	128,000	190,000	318,000		318,000	
1814	6,592,000	132,000	196,000	328,000		328,000	
							1,547,000
1815	6,788,000	136,000	202,000	338,000	19,000	319,000	
1816	6,990,000	140,000	208,000	348,000	20,000	328,000	
1817	7,198,000	144,000	215,000	359,000	21,000	338,000	
1818	7,413,000	148,000	221,000	369,000	22,000	347,000	
1819	7,634,000	152,000	227,000	379,000	23,000	356,000	
							1,688,000
1820	7,861,000	157,000	234,000	391,000	23,000	368,000	
1821	8,095,000	162,000	240,000	402,000	24,000	378,000	
1822	8,335,000	167,000	248,000	415,000	25,000	390,000	
1823	8,583,000	171,000	256,000	427,000	26,000	401,000	
1824	8,839,000	177,000	264,000	441,000	27,000	414,000	
							1,951,000
1825	9,103,000	182,000	272,000	454,000	28,000	426,000	
1826	9,375,000	187,000	280,000	467,000	29,000	438,000	
1827	9,655,000	193,000	288,000	481,000	30,000	451,000	
1828	9,943,000	199,000	296,000	495,000	31,000	464,000	
1829	10,239,000	205,000	305,000	510,000	32,000	478,000	
							2,257,000
1830	10,544,000						

The population doubles in about 24 years. Its average amount during the above period, was 7,850,000. The average of births was 368,000, or  $\frac{1}{21.3}$ . A nation in which the deaths were 1 in 50 and the births 1 in 21.3, would double in less than 27 years. The addition of  $\frac{3}{10}$  of 1 per cent. for immigration and the consequences thereof, would cause it to double in 24 years, which is almost precisely the movement of the population of the United States.

## CHAPTER III.

OF THE DURATION OF LIFE.—FRANCE, THE NETHERLANDS,  
ENGLAND, THE UNITED STATES.

Of 1000 children born in FRANCE, there die, in the

1st year,	-	-	233	Brought up,	457		
2d “	-	-	96	13th year,	-	-	4
3d “	-	-	47	14th “	-	-	4
4th “	-	-	26	15th “	-	-	4
5th “	-	-	15	16th “	-	-	5
6th “	-	-	10	17th “	-	-	5
7th “	-	-	7	18th “	-	-	5
8th “	-	-	6	19th “	-	-	5
9th “	-	-	5	20th “	-	-	6
10th “	-	-	4	21st “	-	-	6
11th “	-	-	4	22d “	-	-	6
12th “	-	-	4				

Carried up, 457

\*507

Leaving 493, or less than one-half, to attain the age of 23, at which we may suppose marriage to take place.

In the NETHERLANDS, according to M. Quetelet,† of 1000 births, there die, in the

1st year,	-	-	225	Brought up,	427
2d “	-	-	70	13th year,	3
3d “	-	-	40	14th “	5
4th “	-	-	24	15th “	5
5th “	-	-	17	16th “	5
6th “	-	-	13	17th “	5
7th “	-	-	9	18th “	5
8th “	-	-	8	19th “	5
9th “	-	-	6	20th “	6
10th “	-	-	6	21st “	6
11th “	-	-	5	22d “	6
12th “	-	-	4		

Carried up, 427

478

\* Annuaire du Bureau de Longitude, p. 80.

† Sur l'Homme, t. i., p. 161.

Leaving 52 per cent. to attain the age of 23. Here we find a diminishing rate of mortality.

Not having, in relation to ENGLAND, tables similar to those of France and the Netherlands, we shall now take the births as given at page 16, which correspond nearly with the estimate of Mr. Rickman, and compare them with the results afforded by the census of 1831, supposing the proportion in which the population was then divided to have been the same as that of 1821. Of the births that took place from 1811 to 1815, all that remained in 1831, would be found between the ages of 15 and 20, and of those born from 1816 to 1820, inclusive, between the ages of 10 and 15.

The table gives of births, from 1811 to 1815,	-	1,830,000
1816	1820,	- 1,991,000
1821	1825,	- 2,140,000
1826	1830,	- 2,293,000

The population of 1831 was thus divided—

Under 5 years,	-	-	-	-	1,950,000
From 5 to 9 years,	-	-	-	-	1,710,000
10	14	"	-	-	- 1,454,000
15	19	"	-	-	- 1,301,000
20	29	"	-	-	- 2,062,000
30	39	"	-	-	- 1,551,000
40	49	"	-	-	- 1,226,000
50	59	"	-	-	- 861,000
60	69	"	-	-	- 591,000
70	79	"	-	-	- 295,000
80	89	"	-	-	- 80,000
90	99	"	-	-	- 7,000
100 and upwards,	-	-	-	-	236
					<hr/> 13,091,236 <hr/>

Here we find the births of 1825 to 1829, reduced to 1,950,000 in 1831, showing a loss of 15 per cent.

Those of 1821 to 1825, reduced to 1,710,000, showing a loss of 20 per cent.

1816 to 1820, reduced to 1,454,000, the loss being 27 per cent.

1811 to 1815, reduced to 1,301,000, the loss being 29 per cent.

With a vast increase in the number and proportion of births, there is thus, when compared with France and the Netherlands, a great diminution in the proportion of deaths, showing a great increase in the chances of life. It is probable that not less than 70 per cent. of the children born in England attain the age of 23.

The distribution of the white population of the UNITED STATES, is as follows:

Under	5 years,	-	-	-	-	1,894,914
Of 5 to	10	"	-	-	-	1,532,149
10	15	"	-	-	-	1,308,590
15	20	"	-	-	-	1,169,450
20	30	"	-	-	-	1,874,898
30	40	"	-	-	-	1,148,066
40	50	"	-	-	-	723,886
50	60	"	-	-	-	452,788
60	70	"	-	-	-	266,389
70	80	"	-	-	-	116,108
80	90	"	-	-	-	33,240
90	100	"	-	-	-	4,564
above 100	"	-	-	-	-	539
						<hr/> 10,525,581 <hr/>

The table\* gives of

		Births.	Remaining per Census of 1830.				Loss.
From 1825 to 1829,	2,257,000	-	of 0 to 5	-	1,894,914	-	16 per cent.
1820	1824, 1,951,000	-	5	10	- 1,532,149	-	21½ "
1815	1819, 1,688,000	-	10	15	- 1,308,590	-	24 "
1810	1814, 1,547,000	-	15	20	- 1,169,450	-	24½ "

Here we find, notwithstanding a small increase in the risk under 10 years of age, a constantly increasing chance of attaining the age at which matrimony is usually contracted. It is

\* Page 19, *ante*.

probable that not less than 74 per cent. of the children born in the United States attain the age of 23. It may be thought that the births must have been more numerous, affording room for a material increase in the proportion of deaths; but this would require a degree of fecundity entirely unexampled and improbable, as we shall now show.

The couples which gave birth to the children of 1810 to 1814, must have been formed from the persons born in the period between 1785 and 1795. The average white population of that period was 3,172,000. If we take the deaths at 1 in 50, and the increase at 3 per cent., we shall obtain an annual average of 158,000 births. Supposing three-fourths of these to arrive at the age of 20, and all to marry, we shall have 118,000, giving an average of 59,000 couples, or 295,000 in five years, and each marriage must give  $5\frac{1}{4}$  births, to produce the number above required. If we suppose the deaths 1 in 45, the number of births required will be increased to 165,000, of whom, perhaps 70 per cent. might attain maturity, giving less than 58,000 couples per annum, or 290,000 in the period of five years, to produce the births required in the period from 1810 to 1814, which would exceed 1,600,000; to yield which, all must marry, and the births must be above  $5\frac{1}{2}$  to a marriage. Here it will be observed that although we have supposed all to marry, we have made no allowance for the children of immigrants, who were exceedingly few in number in the period to which we have referred. It must, we think, be evident to the reader, that the ratio of deaths cannot, by any possibility, exceed that which we have assumed; but we shall now proceed to offer for his consideration, some facts tending to establish it beyond doubt.

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We shall commence by a comparison of the existing populations of France, England and Wales, and the United States, with those among which they were produced, that the reader may see what is the proportion now remaining. In this case we take the population of England and Wales, whereas above we have taken that of England only. We do so because it is not possible to separate the two during the chief part of the last century.

The following table gives the numbers above 40 years of

age, in the several countries, as ascertained by the last census. In the first line will be found the total number of *all ages from 40 upwards*, being the total amount of the population remaining from that which existed in 1790; in the second, of all ages from 50 upwards, bearing the same relation to that of 1780; and so on with the remainder.

	France.	England.	United States.
Above 40, -	9,555,000	3 288,000	1,579,000
50, -	5,780,000	1,953,000	873,000
60, -	2,885,000	1,040,000	420,000
70, -	1,008,000	408,000	154,000
80, -	180,000	95,000	38,000
90, -	17,000	7,300	5,000
100, -	500	250	539

In the above are included all the immigrants above 40 residing in the United States in 1830, and it is necessary to make an allowance for them. If we suppose  $\frac{1}{10}$  of the whole population above 40 to be of foreign birth, which is a large estimate, we shall obtain the following quantities as being of domestic production.

Above 40, -	-	-	-	-	-	1,422,000
50, -	-	-	-	-	-	786,000
60, -	-	-	-	-	-	378,000
70, -	-	-	-	-	-	139,000
80, -	-	-	-	-	-	34,000
90, -	-	-	-	-	-	4,500
100, -	-	-	-	-	-	485

There has been a moderate amount of emigration from England, rendering it proper to make a small addition to the amount of its population, as shown by the census. In the following statement we have added five per cent., which we deem sufficient to meet the diminution that may have resulted from that cause.

Above 40, -	-	-	-	-	-	3,453,000
50, -	-	-	-	-	-	2,050,000
60, -	-	-	-	-	-	1,092,000
70, -	-	-	-	-	-	428,000
80, -	-	-	-	-	-	100,000
90, -	-	-	-	-	-	7,665
100, -	-	-	-	-	-	262

We now give the population of the several countries as nearly as it can be ascertained, since 1730, together with the proportions thereof in existence at the date of the latest census. In relation to France, it is difficult to ascertain the former with any degree of accuracy. In 1754, it was estimated at 18,000,000; and we shall not probably err very greatly in estimating it to have increased 1,000,000 in each of the two previous decennial periods.

## FRANCE.

		Remaining in 1831.*	Proportion.
Population in 1730,	16,000,000	500	1 in 32,000
1740,	17,000,000	17,000	1 1,000
1750,	18,000,000	180,000	1 100
1760,	19,800,000	1,008,000	1 19.6
1770,	21,600,000	2,885,000	1 7.5
1780,	23,500,000	5,780,000	1 4.07
1790,	25,500,000	9,555,000	1 2.67

## ENGLAND AND WALES.

1730,	5,687,993	262	1 21,709
1740,	5,829,705	7,665	1 760
1750,	6,039,684	100,000	1 60
1760,	6,479,731	428,000	1 15.1
1770,	7,227,586	1,092,000	1 6.6
1780,	7,814,827	2,050,000	1 3.81
1790,	8,540,738	3,453,000	1 2.47

## THE UNITED STATES.

The free population of 1790, was 3,250,000. In 1688, the whole is estimated by Mr. Bancroft† to have been 200,000. If we take the free population of that day at 185,000, and add

\* The reader can hardly fail to be struck with the fact that, notwithstanding the incessant wars in which France was engaged from 1793 to 1815, the proportion of her population of 1790 remaining in existence in 1830, would appear to be nearly as great as that of England. We shall have occasion to show that there must be a material error, either in the amount of the population during the last century, or in the quantity of persons of mature age now in existence.

† History of the United States, vol. ii., p. 452.



thereto one-third for each decennial period, we shall obtain the amount given by the census in 1790, as follows:

		Remaining in 1830.	Proportion.	
Population in 1690,	185,000			
1700,	246,000			
1710,	328,000			
1720,	437,000			
1730,	582,000	485	1	in 1200
1740,	776,000	4,500	1	172
1750,	1,035,000	34,000	1	30
1760,	1,380,000	139,000	1	10
1770,	1,840,000	378,000	1	4.8
1780,	2,453,000	786,000	1	3.1
1790,	3,270,000	1,422,000	1	2.3

If we possessed returns of the population of the several countries, at the above periods, *with their ages*, or if the rate of increase had been constant, we should have little difficulty in ascertaining what was the chance of life in each; but such, unfortunately, is not the case. It is difficult, as has been shown, to ascertain with any accuracy even the gross amount of population, and the rate of increase has varied materially, that of England in the first 30 years of the last century having been only one-seventh, whereas, that of 10 years of the present century has been nearly one-sixth, the consequence of which is, that the youthful bear now a much larger proportion to the aged than they did in former times. In regard to France, the change in the rate has not been very great, and we may perhaps assume, that the proportions during a large portion of the last century, correspond nearly with those now given by the census. The growth of the population of England during the first half of the century, corresponded so nearly with that now observed in France, that we shall not probably err materially in supposing the distribution to have been nearly the same with that of the existing population of the latter country. That of the United States has been so constant, that the distribution in past times must have corresponded nearly with that now observed.

The proportions in which the population of the several countries are divided, agreeably to the last census, are as follows, allowance being made in regard to the United States and England, for the effects of immigration and emigration, as given at page 24, viz. a deduction of 10 per cent. from all above twenty years of age in the first case, and an addition of 5 per cent. in the second.

	United States.	England.	Netherlands.*	France.
Under 10 years,	3,400,000	2,726,000	2,386,200	2,182,000
20 "	2,464,000	2,052,000	1,828,400	1,837,000
30 "	1,678,000	1,608,000	1,680,700	1,637,000
40 "	1,028,000	1,213,000	1,340,800	1,404,000
50 "	648,000	962,000	1,016,800	1,161,000
60 "	406,000	674,000	847,100	892,000
70 "	239,000	463,000	595,900	577,000
80 "	103,000	236,000	249,800	254,529
90 "	29,520	60,400	49,300	50,373
100 "	4,000	5,519	4,900	4,948
Above 100 "	480	181	100	150
	<hr/> 10,000,000	<hr/> 10,000,000	<hr/> 10,000,000	<hr/> 10,000,000

Here we find the proportion under 20 *increasing* with the increase in the productiveness of labour, and thus in France, where wages are lowest, it is less than in the Netherlands, while in England it is less than in the United States. From that age forward, until we reach 100, we find a *decrease* in the proportion, in almost precisely the same order, the only important exception being that, in the United States, from 20 to 30, the numbers are greater than in England, a fact chiefly attributable to immigration, as that is the age at which it generally takes place. The numbers are, therefore, somewhat unnaturally diminished in England, and as unnaturally increased in the United States. When we attain the highest point, exceeding 100 years, we find the order is again changed, and the proportion of persons having attained great age is *greatest* in the United States, and least in the Netherlands and France.

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\* We insert the Netherlands in this place with a view to show that although the proportions correspond most nearly with those of France, there is a tendency to approach those of England and the United States, thus indicating improvement in the productive power; but we do not possess the materials necessary for continuing the comparison throughout.

The population of FRANCE, in 1770, having been 21,600,000, there must have been, if the proportions\* were the same as at present—

			Of which remain in 1831.		Proportion.
			60 and 70,	80 and 90,	
Under 10,	4,713,000	between	1,877,000		1 in 2.5
From 10 to 20,	3,968,000		828,000		1 4.8
20 30,	3,536,000		162,500		1 21.7
30 40,	3,032,000		16,500		1 184.
40 50,	2,508,000	above	100,	500	1 5000.

\* It appears to us that there must be a material error in the estimates of the amount of population of France in the last century, or of the proportions of that now existing. Agreeably to the law of mortality in France, as published in the *Annuaire du Bureau des Longitudes*—1831, p. 80—

Of 7,051,607 persons that would be living of 10 years and under, there would be found, sixty years afterwards, between the ages of 60 and 70, 1,613,087, or 1 in 4.37, whereas they appear above to be in the ratio of 1 to 2.5.

Of 5,257,005 between 10 and 20, there would remain between 70 and 80, 691,083, or 1 in 7.6, instead of 1 in 4.8 as above given.

Of 4,677,705 between 20 and 30, there would remain between 80 and 90, 129,316, or 1 in 38.

Of 4,005,032 between 30 and 40, there would remain between 90 and 100, 12,563, or 1 in 319.

Of 3,301,730 between 40 and 50, there would remain above 100, 330, or 1 in 9096.

Such is the ordinary law of mortality, making no allowance for the destruction of hundreds of thousands, or perhaps millions, by wars in every part of Europe. If the rate has remained the same during the past 70 years, and there now exist, as estimated, 1,877,000 between 60 and 70, there must have been, in 1770, of 10 and under, - - - - - 8,202,000

828,000, between 70 and 80, would give, as having existed be-

tween 10 and 20, - - - - - 6,292,000

162,500, between 80 and 90, would give, between 20 and 30, - 6,175,000

16,500, between 90 and 100, would give, between 30 and 40, - 5,263,000

500, above 100, would give, between 40 and 50, - - - 4,548,000

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Total, 30,480,000

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Here we have 30,480,000 persons below 50 years of age, whereas a population of 21,600,000, divided as at present, should give, as is above shown, less than 17,000,000.

If the proportions stated to be now in existence be correct, the population of 1770 should have been 37,000,000. It is obvious that there must be some material error, and that the proportions given above, which approach so near those of England, cannot be correct, and that consequently the chance of life in France is less than it would thence appear to be.

That of ENGLAND AND WALES was 7,227,000, and if the proportions were the same as those now observed in France, there must have been—

Under	10,	1,578,000	between	Of which remain in 1831.*			Proportion.
				60 and	70,	664,000	
From 10 to 20,	1,327,000		70	80,	328,000	1	4.04
20	30,	1,183,000	80	90,	92,000	1	12.8
30	40,	1,015,000	90	100,	7,400	1	137.
40	50,	838,000	above	100,	262	1	2053.

This corresponds very nearly with the result of the experience of the Equitable Insurance Company, as given in a series of tables published in 1834. According to them—

Of 48,380 persons living between the ages of 10 and 20, 12,881 will be living between 70 and 80; this proportion slightly exceeds that above given, being 1 in 3.75.

Of 44,906 living between the ages of 20 and 30, 3,473 will be living between the ages of 80 and 90, being 1 in 12.9.

Of 41,400 living between the ages of 30 and 40, 205 will be found between those of 90 and 100, being 1 in 202.

The growth of the population of the UNITED STATES has been so nearly steady that the proportions into which it is now divided must be nearly the same as those which existed in 1770, at which time the whole number was 1,840,000. Assuming that to be the case, there must have been—

Under	10,	599,000	from	Of which remain in 1830.†			Proportion.
				60 to 70,	240,000	1 in	
From 10 to 20,	433,000		70	80,	104,500	1	4.14
20	30,	327,000	80	90,	30,000	1	10.9
30	40,	184,000	90	100,	4,000	1	46.
40	50,	126,000	above	100,	485	1	260.

The number of troops called into service during the war of the Revolution was, as ascertained by the New Hampshire Historical Society, 288,134; but the rolls of the army are so imperfect, that no calculation can be made as to the number in actual service. Assuming that the latter amounted to 288,000, and that all of them were of the class that in 1770 was

\* Adding 5 per cent. to the numbers given by the census.

† Deducting 10 per cent.

between 10 and 20, the survivors would all now (1839) be between 79 and 89 years of age. The number now borne on the pension roll, for Revolutionary services, is 34,000, but nearly one-fifth of these have not claimed their pensions for several years, and it is supposed they are dead. There remain probably 28,000, being nearly 1 in 10 of the whole number called into service, a proportion which, after making a very moderate allowance for deaths in battle, and by disease caused by the exposure incident to war, will correspond very nearly with the result obtained by the above calculation,\* and prove that the duration of life in the United States is greater than in England, and of course much greater than in any other part of the world.

The accordance found in both of the above instances tends to show that, by the course pursued, we may obtain a tolerably near approximation to the duration of life.

We deem results thus obtained from an examination of the movements of nations, and for a long series of years, much more likely to be accurate, than those which are obtained from observations on small portions of a population, or for short periods of time. Such scattered observations as can be obtained

\* No less than 13 of the 56 signers of the Declaration of American Independence, reached the age of 80 years and upwards, viz.

Charles Carroll, of Maryland,	-	-	-	-	-	95
William Ellery, of Rhode Island,	-	-	-	-	-	93
John Adams, of Massachusetts,	-	-	-	-	-	91
Samuel Adams, do.	-	-	-	-	-	81
Robert Treat Paine, do.	-	-	-	-	-	83
Benjamin Franklin, do.	-	-	-	-	-	84
William Williams, of Connecticut,	-	-	-	-	-	81
William Floyd, of Long Island,	-	-	-	-	-	87
Thomas M'Kean, of Pennsylvania,	-	-	-	-	-	83
Thomas Jefferson, of Virginia,	-	-	-	-	-	83
George Wythe, do.	-	-	-	-	-	80
Matthew Thornton, of Ireland,	-	-	-	-	-	89
Francis Lewis, of South Wales,	-	-	-	-	-	90

Total, 1120

Being an average of 86 years and 2 months each, and the aggregate excess of the "time honoured thirteen" over fourscore, is just eighty years. No deliberate assembly of equal magnitude was ever more remarkable for the virtue, temperance, and longevity of its members, than the one which declared the American colonies free and independent.

tend strongly to confirm the accuracy of our position, that the duration of life is in the direct ratio of the productive power, and that, consequently, of the four nations to which we have referred, it must be greatest in the United States, and least in France.\* From 1807 to 1820, the deaths in Philadelphia were as 1 to 47.86 of the population.† In New York, during 16 years, from 1819 to 1834, including the year of the prevalence of the cholera, they were as 1 to 36. In that city, the ratio of mortality must always be far above the average of the country at large, in consequence of being the place of arrival of nearly all the emigrants from Europe, who, to a great extent, arrive entirely unprovided with the means of support, and ignorant of the best mode of seeking employment; unable, frequently, to support themselves in the city, and less able to leave it, they are crowded into uncomfortable lodgings, and die of disease contracted from inhaling a vitiated atmosphere.‡ If we now compare the mortality in those cities with that of the cities and larger towns of England, we find that in Manchester the deaths are 1 in 35; in Birmingham, 1 in 39.7; in Liverpool, 1 in 41;§ in the county of Middlesex, from 1821 to 1831, they are stated at 1 in 35;|| in Lancashire, according to Mr. Rickman,¶ one-half of the males that are born, die before attaining the age of 7 years, and one-half of the females previous to 17 years of age.

\* For the Production of those nations, we must refer the reader to our second volume, chapters vii. and xv.

† American Medical Journal, vol. i., p. 140.

‡ Comparative mortality at different periods—

Year.	Population.	Deaths.
In 1805, -	75,770 -	as 1 to 32.98
1810, -	96,373 -	1 46.49
1815, -	100,649 -	1 41.83
1820, -	123,706 -	1 37.19
1825, -	166,086 -	1 34.78
1830, -	197,112 -	1 37.92
1835, -	270,089 -	1 40.87

From 1810 to 1815, there was scarcely any immigration, and at that period the ratio of deaths was lower than at subsequent times, when it has been large.

§ McCulloch, Principles of Political Economy, p. 173.

|| Mr. J. R. Edmonds, Lancet, September 10, 1839.

¶ Remarks Preliminary to the Census of 1831, p. 46.

There is probably no mode by which we can obtain more accurate views of the duration of life, than by examining the operations of the institutions established for the purpose of effecting insurance on lives. Their interest prompts them to a careful investigation of the laws of mortality, and the competition among them tends to keep the rate of charge down to the minimum point. Here, however, we are met by a difficulty that tends to make the premium in the United States higher than in England, even where the risk of death is precisely the same. Life insurance is but of very recent date among them, and the number of policies issued is very small. The expenses of management are the same whether the amount of business is \$30,000 or \$300,000; and those expenses must be met by higher premiums than would be necessary if the amount of business were increased. If the charge be, under these circumstances, the same, it indicates a considerably less amount of risk. That the reader may compare them, we give below the premiums demanded by the offices in New York, Philadelphia, and Baltimore, and the average of those of the London Assurance, the Economic, the British Commercial, and the Pelican Companies of London, by which it will be seen that they are almost precisely the same.

Age.		American. per cent.		English. per cent.
16,	-	1.62	-	1.70
26,	-	2.11	-	2.13
36,	-	2.81	-	2.74
46,	-	3.87	-	3.80
56,	-	6.05	-	5.83
60,	-	7	-	6.95
Average,		3.91		3.86

A recent writer\* has arrived at the conclusion, that but for immigration "the United States would not have done more, in the 30 years we have been surveying, (1800 to 1830,) than keep up their own population, or very gradually to increase it." He arrives at this conclusion from observing that, in 1800, of a

\* Sharon Turner, Sacred History of the World, vol. iii., letter viii.

population of 5,309,758, only 809,760 were females above 16 and under 45, or within the period of reproduction. . He thence infers that it would be necessary that each of these must have above  $6\frac{1}{2}$  children, in order to produce a new generation of the same number, and without augmentation.

The real amount of the population was less by 1,000,000 than Mr. Turner makes it, and of this about one-half, or 2,100,000, was under 16, being the product of the very class upon which Mr. Turner would impose the duty of *reproducing not only themselves, but their children*. If the 809,760 females between 16 and 45 had had, on an average, 2 children each, the amount would have been 1,619,520, or within 500,000 of the whole number of those below 16.

Mr. Turner observes that not one-eighth part of the existing population had reached 45, and thence inferred that "the duration of life was too abridged for a series of four decennial periods, to admit of any thing like a geometrical augmentation."

It is well known that in no part of Europe is the duration of life so great as in England, and yet that country offers a series of proportions very much resembling those of the United States.\* If a French writer had asserted that little more than  $\frac{7}{8}$  of the people of England attained 45, whereas nearly  $\frac{1}{4}$  of those of France did so, Mr. Turner would have deemed the assertion very absurd, yet it would have been in exact accordance with that which he has made in regard to the United States.

\* See p. 27, *ante*.



## CHAPTER IV.

OF THE RATIO OF MARRIAGES TO POPULATION.—FRANCE.—  
THE NETHERLANDS.—ENGLAND.—THE UNITED STATES.

THE usual mode of stating the ratio of marriages to population, is one that leads to great error. In a country in which the latter is increasing rapidly, the *proportion* below the age for contracting matrimony is very large,\* and the proportion of marriages to population may be small, even when nearly every person marries on obtaining the proper age therefor; while in another which increases slowly, the proportion may be large, while the number who remain unmarried may be very great. Thus in the United States, where almost all marry, the proportion is stated at 1 in 140, whereas, in the Netherlands, where *celibataires* are very numerous, it is stated at 1 in 130. The same error is produced by an alteration in the rate of increase of a nation. Thus, in the early part of the last century, marriages in England were stated at 1 in 115, whereas they are now said to be only 1 in 124. From this we should naturally conclude that the proportion of unmarried was increasing, whereas it can be clearly shown that it is decreasing; and we should suppose a large proportion of the people of the United States to remain unmarried, whereas in no country does so small a portion remain so. Such statements convey no clear ideas to the mind. They are not only useless, but injurious, as they tend to mislead those who are in search of truth.

By a different mode of proceeding we may obtain more correct views. The marriages that take place in the period from 1830 to 1840, have reference to the births that took place in that between 1810 and 1820. We know the number of the latter, and the proportion which they bore to population, and by referring the marriages to the same period, we shall show at once what was the number of births yielded by a given population—what proportion thereof lived to attain maturity—and how many

\* See table at p. 27.

marriages resulted therefrom. In 1811, the population of England was 9,551,000, and the births were 354,000, and if 80 per cent. attained maturity in 1834, there would be 283,000 persons, or 141,500 couples. If the marriages were 130,000, we should then state it as follows:

Births, 1 in 27.

Loss by death, 20 per cent.

Marriages, 1 in 73.

The population being given, we should at once have before us the number who remained unmarried. Let it be stated, for instance, that the births in a nation are as 1 in 28, that 70 per cent. attain maturity, and that the marriages are as 1 in 100 of the population. The existing numbers are 5,000,000, and from this we immediately ascertain that the births of the year will be - - - - - 178,571  
that the number that will attain maturity will be 125,000  
that the number of marriages among them will be 50,000  
that the number of persons that will marry will be 100,000  
that the unmarried will be - - - - - 25,000  
being as 1 to 4 of the married.

In estimating the ratio which the marriages of FRANCE bear to the population, we are met by a difficulty resulting from the long period in which the nation was engaged in war, requiring the services of a large portion of the younger males in the field, and leaving at home only the females and the aged. The natural consequence of this state of things was insecurity and poverty, tending to delay the period of marriage at that time, and to increase unnaturally the number of marriages at a later period, as we shall show has been the case. In the period from 1794 to 1808, the average population could not have exceeded 26,000,000, and if the births bore the same ratio thereto that we have shown them to have done in the years from 1817 to 1831,\* they would have been about 11,500,000. Of these, one-half would die before attaining the age of 23, in the period from 1817 to 1831, leaving 5,750,000, or 2,875,000 couples, being an annual average of 205,000, whereas the marriages amounted to 237,000. A very large portion of these must have been of per-

\* Page 13, *ante*.

sons, who remained unmarried in the previous period, in consequence of the various difficulties resulting from a state of war, and thus the ratio is unnaturally increased. The births in 1817 having been 944,000, and one-half dying before attaining 23, the whole number that will remain in 1840 cannot exceed 472,000, giving 236,000 couples, or 1 in 125 to the population of 1817. We are warranted, therefore, in assuming that as the highest *possible, permanent*, ratio. The *actual* number is 1 in 109. What is the *true*, or natural one, can only be ascertained after that country shall have been for a longer period in a state of tranquillity and prosperity.

In the NETHERLANDS, the long duration of war has caused the marriages to be in like manner unnaturally increased. If we take the population, from 1792 to 1802, at 5,000,000, and the births at their present rate, 1 to 28, we shall obtain less than 180,000, of which only 53 per cent. would obtain the age of 23, giving 95,000 persons, or 47,500 couples. It is not possible that so large a number of births should have taken place, or that so large a proportion should have survived the campaigns of Germany, Russia, Spain, and Italy, yet we find the marriages from 1815 to 1825 nearly equal thereto, having been above 43,000 in number. Many of these must have been brought within this period, in consequence of the increased facility of obtaining subsistence during the peaceful period between 1815 and 1830, and therefore the present is not the natural state of things. From 1815 to 1825, the births slightly exceeded 2,000,000, of which 1,060,000 would arrive at the age of 23, in the period from 1838 to 1848, being an average of 106,000. If all married, they would give 53,000 couples; and as the average population from 1815 to 1825 was 5,670,000, we obtain as the greatest *possible* average of marriages, 1 in 103. The *actual* proportion for some years was 1 in 116. What would be the *natural* proportion, is only to be ascertained after a long series of years of peace and prosperity.

From 1795 to 1807, the population of ENGLAND averaged about 9,250,000 persons. Allowing the same rate of mortality and increase as at present, the births would have been 327,000, and, if we suppose 70 per cent. thereof to attain maturity, the average number in the period from 1819 to 1830 would have

been 229,000. The quantity must, however, have been far less, as the increase from 1790 to 1810, a period of 20 years, was only 22 per cent., whereas from 1820 to 1830, a period of only 10 years, it was nearly 16 per cent. The mortality among both old and young was far greater in the first period than in the last, and while the births were fewer, the proportion living to attain maturity was smaller. It is probable, therefore, that 210,000 persons, equal to 105,000 couples, would be the maximum quantity. This would give, if all married, 1 in 88. With the increased health of the present period, the ratio of possible marriages rises, and thus the births of 1819, 405,000 in number,\* would probably give, in 1842, about 296,000 persons of the age of 23, equal to 148,000 couples, being 1 to 74 of the population of 1819. We may, therefore, take this as the highest *possible* ratio. The actual average in the period between 1819 and 1830, was 103,708, being 1 in 89 to the population of 1796 to 1807, twenty-three years previous.

The average population of the UNITED STATES, from 1795 to 1805, was 4,304,000, and the average births must have been 215,000. If 73 per cent. of these attained the age of 23, and all then married, there would be from 1818 to 1828, 157,000 persons, giving 78,500 couples, or 1 in 55 of the population from which they were derived, as the greatest *possible* proportion. The number of births required in that period is 3,969,000,† giving an annual average of nearly 397,000. If we suppose each marriage to yield  $5\frac{1}{2}$  births, the number must average 74,500, or 1 in 58. If we take 70,000 as the number, it will give 1 in 61.

The following table gives a comparative view of these several nations. In the first column is given the greatest possible, *permanent*, proportion of marriages to population. In the second is given the actual ratio. In a natural state of things, this will always be somewhat below the first; but after a period of war and insecurity, it will generally be found for a time somewhat exceeding it, and the amount of the excess will probably mark the extent of the disturbance that has been experienced. It was greater in France than throughout Holland and Belgium,

\* See table at p. 16, *ante*.

† See table at p. 19, *ante*.

and therefore we find the excess of the actual over the possible, *permanent*, average, confined to the former. In the third column is given the usual mode of stating the ratio of marriages to population. A glance at this will satisfy the reader that it conveys no information whatever, while the others show the actual movement of the population, and enable us to deduce therefrom the actual condition of the people.

	Permanent average cannot exceed	Actual marriages.	Usually stated as
France, - - -	1 in 125	1 in 109	1 in 134
Kingdom of Netherlands, 1	100	1 116	1 128
England, - - -	1 74	1 89	1 127
United States, - - -	1 55	1 61	1 140

Dr. Hawkins, in his Medical Statistics, says, "In England, the proportion of marriages has diminished since the early part of the last century, when it was estimated at 1 in 115 individuals. The census of 1801, lowered the proportion to 1 in 123; that of 1811, to 1 in 126; and, finally, in 1821, we find only 1 in 131."

In order to test the correctness of this statement, and of the deductions that might be made from it, we must take the population of England at several periods, as follows:

1780, 7,100,000; of whom were married, in 1801, 67,288 couples.

1791, 7,700,000.—Marriages in 1812, 84,000.

1801, 8,331,164.—Marriages in 1822, 98,878.

1811, 9,551,528.—Marriages in 1832, supposed 110,000.

1821, 11,261,439.

1831, 13,086,675.

By pursuing the course already adopted of comparing the number of marriages with the population which produced the parties now capable of contracting marriage, viz. that of from 20 to 23 years previously, we obtain the following results:

In 1700, the number of marriages was to the existing population, 1 in 115, and as the increase at that time was exceedingly slow, it is probable that it bore nearly the same proportion to the population of 1678 or 1679.

In 1780, the population being 7,100,000, and the number of marriages in 1801 being 67,288, the ratio would be 1 in 105.

In 1791, the population being 7,600,000, and the number of marriages in 1812, 84,000, the ratio would be 1 in 90.

In 1801, the population being 8,331,164, and the marriages in 1822, 98,878, the ratio would be 1 in 84.

In 1811, the population being 9,551,528, and the marriages in 1832, supposed 110,000, the average would be 1 in 87, Showing a nearly steady increase in the ratio of marriages to population, when properly examined, and showing that as the condition of any people improves, the disposition to matrimony is more readily indulged.

The small difference in the ratio of 1821 and 1831, is readily explained by the emigration of large numbers of persons of the age proper to contract matrimony.

## CHAPTER V.

OF FECUNDITY.—FRANCE.—THE NETHERLANDS.—ENGLAND.—  
THE UNITED STATES.

The number of births in FRANCE from the year

1817 to 1830, inclusive, was	-	-	-	13,545,482
Of these the illegitimate were	-	-	-	955,737
				<hr/>
The legitimate,	-	-	-	12,589,745
				<hr/>

The latter being as 13.17 to 1 of the former, and giving 3.79 as the fruits of each marriage.

From 1815 to 1825, the births in the NETHERLANDS were

-	-	-	-	-	2,015,646
The illegitimate were as 1 to 15 of the legitimate,					
or about	-	-	-	-	126,000
					<hr/>
					1,889,646
					<hr/>

The marriages were 430,247, and the product of each, 4.39 births.

From 1819 to 1830, the marriages in ENGLAND averaged 103,708. From 1820 to 1831, the births averaged 444,000, of which the illegitimate were as 1 in 20. The annual emigration of 5,000 married couples would reduce the births as much as the illegitimate would increase them, and such we doubt not has been the case. If so, the productive marriages would be reduced to 98,708, and the births to 422,000, or 4.30 to each.

The number of births required in the UNITED STATES, from 1818 to 1828, averaged 397,000. Owing to the facility of obtaining the means of subsistence, almost all marry, and marriages take place early, the consequence of which is, that

illegitimate children are few in number. If we estimate them at 1 in 60 it will be a liberal allowance, and will require between 6,000 and 7,000, leaving 390,000 legitimate. If we take the marriages at 70,000, it will require 5.56 births to each to supply that quantity.

Here we obtain nearly the same order as in the two preceding chapters, to wit:

France, - - - -	3.79
Netherlands, - - -	4.39
England, - - - -	4.30
United States, - - -	5.56

We have little doubt that the marriages of England would be found, were the information perfectly accurate, more productive than those of the Netherlands.

In France, the illegitimate births average, per annum, - - - - -	68,200
In the Netherlands, - - - - -	12,600
In England, - - - - -	22,200
In the United States, probably, - - - -	6,000

If each unmarried mother gave birth to three children, we should have of such mothers,

In France, - - -	22,733
The Netherlands, - -	4,200
England, - - -	7,400
United States, - -	2,000

The number of females yearly arriving at maturity in the above countries, is estimated to be

In France, - - -	205,000
The Netherlands, -	50,000
England, - - -	105,000
United States, -	78,500

And it follows that the unchaste must be to the chaste,

In France, in the ratio of 1 to	9.24
The Netherlands, 1 to	11.9
England, 1 to	14.18
United States, 1 to	39.25



Here we find morality maintaining the same order as marriage, and the fecundity of marriages greatest where men experience the least difficulty in obeying the natural impulse to take a partner in their joys and sorrows, their prosperity and adversity. As poverty and wretchedness tend to diminish the power of contracting marriage, so do they tend to do away that feeling which prompts to correct conduct, and precisely in the same order with the ease and comfort enjoyed by the people, is the chastity observed by the unmarried female.

## CHAPTER VI.

OF EMIGRATION.—FRANCE.—THE NETHERLANDS.—ENGLAND.—  
THE UNITED STATES.

It is usually assumed that emigration is caused by a diminution of the return to labour, whereas population has a natural tendency to diffuse itself throughout the world, and it is only prevented from doing so by difficulty in obtaining subsistence and in accumulating the amount of capital necessary to enable men advantageously to change their places of residence. The clearing of new farms and the building of new houses are works of great labour. Where men are destitute of capital, they continue to divide farms among themselves and their children, until they are reduced to holdings so small that the whole produce scarcely affords them food. Where labour is productive, capital accumulates, new farms are brought into activity, and new houses are built, and with every extension of cultivation over soils that by distance from market or other causes are rendered inferior, we find an increase in the return to labour, accompanied by an improvement of condition. Emigration is an evidence of the productiveness of labour, and it increases with the increase of capital. In no part of the world is it so great as in the United States, and from no part of the United States is it so great as from New England, where the reward of labour is higher than in any other part of the world.\* We have no means of showing its extent, but the fact is unquestionable. Next to the United States is England, in which we find the migrating tendency daily increasing with increase in the facility of accumulating capital. The settlement-laws have tended greatly to impede the transfer of population from one part of the kingdom to another, and have compelled vast numbers to emigrate to the colonies, who could have been better employed at home; but under the new poor-law system, a different state of things will probably arise. The amount of emigration from Great Britain, in the eight years from 1825 to 1832, both inclusive, was as follows:

\* Vol. ii., p. 311.

1825,	-	14,891,	1829,	-	30,058,
1826,	-	20,900,	1830,	-	56,907,
1827,	-	28,003,	1831,	-	83,160,
1828,	-	26,092,	1832,	-	103,140,

The period embraced in the above table has been attended with a very decided improvement of condition,\* producing increased ability to emigrate.

The people of Scotland emigrate freely, whereas when the peace of the country was disturbed and men found it impossible to do more than obtain the commonest food, there was no emigration. The land was split up into the smallest holdings,† because none possessed the power of removing themselves.

The emigration of Ireland is large, and tends to increase with the increased means of the people. Many more now resort to England than did so in former times, and great numbers transfer themselves to Canada and other British provinces, as well as to the United States. The ability to emigrate is an evidence that their condition is better than that of a large portion of the people of the continent, who are chained to the soil by want of means to remove themselves.

From France there is almost literally no emigration to foreign countries. One reason for this is to be found in the fact, that there is no part of the world in which French is the language of the people, whereas English is the language of a large portion of the world. That cause would not, however, prevent them from transferring themselves from one part of France to another, and yet we see vast bodies of land remaining uncultivated in one quarter,‡ while in other parts it is divided into portions so small that the plough is no longer used for cultivation.§ The people of Switzerland enjoy fewer natural advantages, but they remain at peace, employing themselves in production, and are consequently enabled to traverse France on their way to America, while those of France remain at home, unable to change their residence, because so large a portion of their time and labour is employed in impairing the condition of others, instead of improving their own.

\* See vol. i., p. 255, *ante*.

† See vol. ii., p. 174, *ante*.

‡ See vol. i., p. 65, *ante*.

§ See vol. ii., p. 133, *ante*.

## CHAPTER VII.

EFFICIENCY OF LABOUR.—FRANCE.—THE NETHERLANDS.—  
ENGLAND.—THE UNITED STATES.

WE now proceed to compare the several populations as regards efficiency of labour. This would seem to be hardly necessary, when we could point to the United States, England, the Netherlands, and France, and show that the reward of labour in the first, in which population increased most rapidly, was greater than in the second, which increased less rapidly,—that it was greater in the second than in the third, and greater in the third than in the fourth, in which the growth of population was slowest;\* yet as several recent writers have asserted that labour was most productive where population was stationary, or but slowly increasing, we deem it proper to compare the muscular power of the several nations. The efficient population is to be found between the ages of 15 and 45, and of that there are in every 10,000,000 in the several countries,

	United States.	England.	Netherlands.	France.
From 15 to 20,	1,000,000	1,000,000	837,000	837,000
20 30,	1,781,000	1,574,000	1,681,000	1,637,000
30 40,	1,091,000	1,181,000	1,341,000	1,404,000
40 45,	500,000	600,000	550,000	600,000
	<hr/> 4,372,000	<hr/> 4,355,000	<hr/> 4,409,000	<hr/> 4,478,000

Here there is no material difference. The remainder of the population is thus divided :

Below 15,	4,610,000	3,900,000	3,378,000	3,182,000
Above 45,	1,018,000	1,745,000	2,213,000	2,340,000
	<hr/> 10,000,000	<hr/> 10,000,000	<hr/> 10,000,000	<hr/> 10,000,000

We find in the United States, below the age of 15, 1,400,000 more than are to be found in France, in which country their place is occupied by those below 45 and 100. If it were possible that two countries could exist, in which the physical and moral condition of the people should be exactly equal, and the population be divided as the United States and France are

\* See vol. ii., chapters xi. and xv.

above shown to be, we should admit that the labour-power of the latter was greatest. Such, however, is not the case. The population of France increases slowly because of the difficulty of obtaining subsistence, and it will increase more rapidly with every increase in the facility with which it can be obtained. A slow increase of numbers is invariably attendant upon and is an evidence of unproductiveness of labour.

We have already shown what is the physical condition of the labouring population of France. In the *Département du Nord*, there are annually rejected of the conscripts more than one-fourth of the number, for infirmities and deformities. In the *Département des Bouches du Rhone*, 1 in 12 is rejected. If such be the capacity for labour of the young, what must it be among the aged? By reference to a former chapter, the reader will see that with hard labour and low wages, inferior nourishment, clothing, and lodging, the physical condition of the population is low, and that a large portion of those above 45 are incapable of acquiring the means of support, and are a burthen upon the productive portion of the nation, instead of an aid to it.\* We hazard little in saying that there is a higher degree of muscular power in the 1,018,000 of the people of the United States above 45, than in the 2,340,000 of the people of France.

If such be the case with regard to muscular power, how much more so is it with the intellectual! In the exact ratio of the growth of population, do we find the desire for education and the ability to obtain it. In France, the mass of the population is ignorant to a degree that is scarcely conceivable.† In the Netherlands we find the proportion of the educated increase. In England it is still greater, but in the United States we find scarcely any who cannot both write and read. With the increase of intellectual capital, we find a constant diminution in the necessity for severe bodily labour, and thus the aged and the youthful are enabled to contribute in aid of production. We think the reader will now be prepared to agree with us that the productive power of a nation tends to increase with the increase in the ratio which the youthful bear to the aged, a rapid increase of population being a necessary consequence of high moral, physical, and intellectual condition.

\* See vol. ii., p. 214.

† See vol. ii., p. 188, *ante*.

## CHAPTER VIII.

## SUMMARY.

WE now submit the following view of the order in which several countries stand, as regards the several matters treated of in the preceding chapters, as well as in that essential requisite for prosperity, security of person and property.\*

Security.	Duration of Life.	Growth of Population.	Marriages.
1. U. States.	1. U. States.	1. U. States.	1. U. States.
2. England.	2. England.	2. England.	2. England.
3. Netherlands.	3. Netherlands.	3. Netherlands.	3. Netherlands.
4. France.	4. France.	4. France.	4. France.
Fecundity.	Morality.	Emigration.	Efficiency of Labour.
1. U. States.	1. U. States.	1. U. States.	1. U. States.
2. Netherlands.	2. England.	2. England.	2. England.
3. England.	3. Netherlands.	3. Netherlands.	3. Netherlands.
4. France.	4. France.	4. France.	4. France.

Where person and property are most secure, production will be greatest, and the physical and moral condition of man will be highest; there will he be most disposed to contract matrimony, and there will the fecundity of marriages be greatest; there the unmarried adults will be in smallest ratio to the married, and the proportion of illegitimate children will be smallest; and there will the duration of life be longest. Such is the law which common sense would teach, and such is the law that is to be deduced from an examination of the operations of the world.

We have, it is true, confined ourselves to four nations, but a law that is true in regard to that number, will be found equally so in regard to the rest of the world. If we look to India, we find in Bengal, where security is established and taxation is comparatively light, a rapid increase of population, whereas

\* See vol. ii., chapters ii., iii., and xv.

in Southern India, where security is of much more recent date, and taxation is heavy, the increase is very slow.\* As regards most of the countries in Europe, we do not possess information sufficient for such an examination as would be necessary for the proof or disproof of the proposition we have offered. One writer informs us that Prussia doubles her population in 26 years.† Another makes it 39,‡ whereas the last census shows an increase of 34 per cent. in 21 years, according to which it would double in about 48 years. According to one,§ Austria doubles in 44 years, whereas a second|| makes it 53.6, while M. Dupin makes it 69 years. According to the *Revue Britannique*, France doubles in 125 years, whereas, agreeably to M. Dupin, the term is only 105 years. The first allows 84 years for the Netherlands, and the last only 56½, while M. Rau allows 74 years. Russia in Europe is said to double in 48 years, but the following facts will show how little is the dependence to be placed upon any such statements. In the most recent statistics of Russia,¶ we find the following information in regard to the government of Moscow. M. Storch gave it, in 1795, a population of 1,139,000. Wickman, in 1813, 1,246,000. Ziabloffski, in 1814, 935,800. Hassel, in 1829, 1,337,900, and M. Arsenieff, in 1831, 1,200,000. M. Schnitzler, with a view to obtain a correct idea of its actual amount, takes the population of 1796, adds thereto the births since that time, and deducts the deaths, by which process he obtains 1,462,884. He feels himself fully authorized to fix it at 1,300,000 souls.\*\* The government of Vladimir, formerly part of that of Moscow, is stated by Wickman, in 1813, at 960,600; by Ziabloffski, in 1814, at 1,105,132; by Balbi, in 1826, at 1,335,000; by Hassel, in 1829, at 1,334,500; and by Arsenieff, in 1831, at 991,000. Pursuing the same course as in relation to the government of Moscow, M. Schnitzler deems himself authorized to fix it, *provisoirement*, at 1,100,000.†† If such be the state of information in regard to the heart of the empire, what must it

\* Westminster Review, No. xlv., p. 118.

† Dupin.

‡ *Revue Britannique*, quoted by M. Villeneuve.

§ *Ibid.* || Professor Rau.

¶ *La Russie, la Pologne, et la Finlande. Tableau Statistique, Géographique et Historique.* Par M. J. H. Schnitzler, Paris, 1835.

\*\* Page 39.

†† Page 103.

be in the remote districts? Even in England it is a matter of question whether the deaths are 1 in 47.2; 1 in 50; 1 in 54; 1 in 58; or 1 in 59. Such being the case, it must be obvious to the reader that we do not possess facts sufficient to warrant a belief of the existence of any other law than the plain and simple one that we have stated.

The case of the Republic of Guanaxuato is frequently adduced as evidence of a different state of things. It is asserted that the deaths are 1 in 19.70, the births 1 in 16.08, and the marriages 1 in 69.76. In reference to this, we have only to say, that we do not know the fact, and that it will be time enough to reason in relation to it when it shall have been established. While Prussia and France, England and the Netherlands, are in dispute, it is highly improbable that we shall obtain returns worthy of confidence from Guanaxuato, Mexico, Peru, or Chili. In the meantime, we may rest assured that, with security and cheap government, population will grow, and that the growth of the one will be in the ratio of the enjoyment of the other. The growth of population may therefore be taken nearly as a measure of the productiveness of labour. Ireland, however, is usually regarded as proving the reverse of this proposition. In that country, the increase is now at the rate of 14½ per cent. in 10 years, at which rate it would double in about 50 years. It has been asserted\* that the census of 1831 is incorrect, and that much of the apparent increase is due to the fact, that places are inserted in that for 1831, which were omitted in 1821. As there was no census previous to that of 1821 that could be relied upon, it is not possible to decide whether or not this assertion is correct. On a former occasion,† we gave a number of facts tending to prove that the average condition of the people of that country was superior to that of a large portion of those of the continent, and such, we are satisfied, is the case. There is, no doubt, much poverty in many portions of it, but there are also many portions of it in which great comfort is enjoyed.

In the 30 years from 1801 to 1830, the population of Scot-

\* Mr. Slaney, House of Commons, May, 1833, quoted by Wade. *Middle and Working Classes*, p. 552.

† See vol. ii., chap. xiv.



land increased from 1,599,000 to 2,365,000, at which rate it would likewise double in 50 years. The growth of improvement in parts of Scotland has been very rapid, but in other parts it has been exceedingly slow,\* and, as a necessary consequence, we find a rapid increase of population in the former, whereas it has been exceedingly slow in the latter.

No country in Europe has improved more rapidly than Norway in the last 20 years; and, accordingly, we find a rapid increase of population.† In 1825, it amounted to 967,959; in 1835, it had risen to 1,098,291,‡ being an increase of about 13½ per cent., at which rate it would double in less than 61 years.

If increase of population be taken as a measure of production, and of the power of improving moral and physical condition, the following will be found to be the order of some of the most important portions of the world—

1. The United States.
2. England.
3. Prussia.
4. Scotland.
5. Ireland.
6. The Netherlands.
7. Norway.
8. France.

And at the foot of the list will be found Hindostan.

\* Laing's Norway, p. 35.

† Ibid. p. 395.

‡ "The increase of population in Norway, connected, as it evidently is, with a proportional increase of property, by improved husbandry, and a value being given to its products by new employments, is a striking proof that population and property, if the latter be distributed through the social body on the natural principle, will mutually act upon and check each other. The increase of numbers, previously to the establishment of an independent legislature, was extremely slow, because the increase of their property was slow; it is now much more rapid, because the state of property admits of it."—*Laing's Norway*, p. 398. The establishment of a popular government enabled the people to control expenditure; taxes have been reduced, while the national debt has been paid off. Capital increases, and with it there is an increase of production. These products are distributed throughout the community on the natural principle, which gives to the labourer a constantly increasing *proportion* as the *quantity* is increased; his situation is constantly improving, and he has comparatively little hesitation about aiding in the increase of population.

We now submit the following

PROPOSITIONS.

I. That in the infancy of society, when the superior soils alone are cultivated, man obtains with difficulty a supply of the necessaries of life—famines are of frequent occurrence—necessity causes men to plunder their fellow men—security of person and property is unknown—the duration of life is short—marriages are few and unproductive—and population increases slowly.

II. That every step in the progress of population is attended with increased power of uniting for the maintenance of security, and for the increase of production. Famines become more rare, and men no longer experience a necessity for plundering their fellow men. There is a constant increase of security, attended with a constant increase of the productive power. Capital increases rapidly, and the inferior soils are brought into action. The duration of life is increased, marriages become more numerous and fruitful, and population increases more rapidly.

III. That the *natural* growth of population should be most rapid in old states, in which a dense population enjoys security of person and property at small cost, and in which abundant capital enables them to obtain from the inferior soils large returns to labour, or to extend themselves, with the same result, over those which by distance from market are rendered inferior.

IV. That the *natural* growth of population should be least rapid in those new states in which a scattered population enjoys little security, while compelled by want of capital to limit cultivation to the superior soils.

V. That the increase of numbers in old states will be retarded by the tendency of population gradually to extend itself over distant lands, and that the same circumstances will tend to accelerate the progress of population in new states.

VI. That with every increase of wealth there is increased power of cultivating inferior soils, and increased power and disposition to seek the distant but more fertile soils.

VII. That emigration tends therefore to increase with the increase of population and of wealth.

VIII. That a constant succession of wars, attended by waste of life and of capital, may prevent increase of wealth even where population is dense, thereby preventing the people from bringing into action the inferior soils near, or the more fertile soils distant from them, and continuing them in a low physical and moral condition, as has been the case in India and in France.

IX. That peace and security and the free application of labour and of capital, may enable a nation whose population is widely scattered to increase rapidly in numbers and in wealth, bringing into activity the lands which from quality or situation are inferior, with a constant improvement of physical and moral condition, as has been the case in the United States.

Here we find morality maintaining the same order as marriage, and the fecundity of marriages greatest where men experience the least difficulty in obeying the natural impulse to take a partner in their joys and sorrows, their prosperity and adversity. As poverty and wretchedness tend to diminish the power of contracting marriage, so do they tend to do away that feeling which prompts to correct conduct, and precisely in the same order with the ease and comfort enjoyed by the people, is the chastity observed by the unmarried female.

## CHAPTER IX.

REVIEW.—MR. MALTHUS.—MR. M'CULLOCH.—MR. MILL.

MR. MALTHUS.

THE views which we have thus offered to the consideration of the reader, are directly opposed to those which are most generally received, and which we now propose to examine.

It was long since remarked, that the human race possessed the power of doubling itself in short periods of time; but it was reserved for our times to have it announced that there is, in every stage of society, a tendency to over-population, or to an excess of population over food, producing poverty, misery, crime, and premature death, by which that tendency is in some degree counteracted. It is assumed by the author of this theory that the means of subsistence, "under circumstances the most favourable to human industry," cannot "be made to increase faster than in an arithmetical ratio," while the human species tends to increase in a geometrical ratio; that the last increase as the numbers 1, 2, 4, 8, 16, 32, 64, 128, 256—while the former can only increase as 1, 2, 3, 4, 5, 6, 7, 8, 9; and thus, that in two centuries the population would be to the means of subsistence as 256 to 9; in three centuries, as 4,096 to 13; and in 2,000 years, the difference would be almost incalculable, were it not that this tendency is checked, and population kept down to a level with the means of subsistence, by "moral restraint, vice and misery," the first being a *preventive*, while the latter are *positive checks*.

In inquiring into the correctness of this doctrine, it is necessary to observe that it has no connexion with the ultimate powers of the earth to afford subsistence. When Sir Henry Petty calculated that population might double itself in 15 years, and when Dr. Franklin observed that, if the earth had been unpeopled, a single nation could in a few ages replenish it, they must have seen that if the period of duplication were even extended to 1,000 years, it was still possible that a time might come when

the world would be fully peopled. Neither has it any thing to do with the causes why the earth is not over-peopled at the present moment. Had the descendants of Adam and Eve doubled in every period of 25 years, they would not now find standing-room upon the earth; and if the people now existing upon it were to duplicate in that period, the lapse of a very few centuries would see them in that situation; yet we see in these facts no evidence of the truth of the theory of Mr. Malthus. The *discovery* of that gentleman was that, however rapid might be the improvement of cultivation, there was a *constantly existing tendency in population to outstrip production*, and that, therefore, were the earth ultimately capable of affording support to a thousand millions of times its present population, *every stage of its increase must be attended with a pressure of population against subsistence*, producing a copious harvest of vice and misery. We propose now to examine how far this view is in accordance with the facts obtained by an examination of the various nations of the world, and believe we shall satisfy the reader that misery and vice prevail most where population is most stationary, while abundance and a high moral feeling are the usual accompaniments of a rapid increase of population.

It is assumed that moral restraint, inducing abstinence from marriage and leading to vice, wars, pestilences, and famines, causing misery and starvation, are *the remedies provided by nature*, for counteracting the tendency to over-population. The superiority of the people of England and France over those of some other countries, is then attributed to the fact that the population "had accommodated itself more nearly to the average produce of each country than many other states," by "the operation of the preventive check—wars; the silent, though certain destruction of life in large towns and manufactories; and the close habitations and insufficient food of the poor," which "prevent population from outrunning the means of subsistence;" and which "*supersede the necessity of great and ravaging epidemics to destroy what is redundant.*"\*

If the checks referred to were really *remedies*, an examination of Mr. Malthus' work should satisfy us that where they had

\* Malthus on Population, vol. i., p. 528.

been applied most frequently and copiously the supply of food bore the highest ratio to population, and that where they did not exist, the population tended most to exceed the supply of food. In the United States, however, those remedies are and have been in a great measure unknown; yet there is a constant tendency to an increase in the ratio of subsistence to population. In England, when the remedies were applied, the supply of food was small,\* whereas, since they have ceased to act, food increases more rapidly than population.† In Scotland, when subject to the remedies, the people were almost in a state of starvation, but they are now almost as prosperous as any people whatever. In Ireland, the condition of the people is constantly improving with the withdrawal of the remedies. In France, they have been applied with great steadiness, but the supply of food has been small. In Holland, in which they have been comparatively little applied, the supply of food is greater than in Belgium, in which they have been more frequently called into action. In the states of the Church, they have been in activity much more steadily than in Tuscany, yet the supply of food is smaller. In Austria and Prussia—in Spain and Portugal—in Sardinia and Turkey, they have been of more frequent application than in Holland, England, or Scotland, yet the people of the latter have food in abundance, while those of the former obtain it with difficulty. In South America, the remedies are applied, and the people are miserable. In no country in the world have the remedies been applied so steadily as in India, and the natural consequence has been moral and physical degradation.

In default of moral restraint, attempts have been made to limit the growth of population by restricting the right to marry, as in France, where the large portion of the people who are compelled to bear arms, are prohibited from marrying without

\* In the time of James I., the fear of over-population was so much greater than at present, that men were not usually permitted to marry until they had attained the age of 35, nor women until 30 years of age. Hollinshead and Sir Thomas More complained of superfecundity as much as is done by the writers of our time. The dread of over-population is greatest where population is least numerous, and thus the precautions in France, with 160, and Austria, with 125 to a square mile, are vastly greater than in England, with almost 200.

† See vol. i., p. 63, *ante*.

the consent of their officers, which is obtained with great difficulty; yet the people of that country are poor, compared with those of Holland and England, where such restraints do not exist.\*

In some parts, and possibly in the whole of the Austrian empire, no man is allowed to marry till he can prove that he is able to maintain a wife and children; and no officer can do so, unless he deposite in the hands of the government a sufficient sum of money to maintain his wife and children in case of his death.† The consequence of this restraint is "the entire demoralization of the people."‡§

Here is one of the remedies fully applied, yet the people of Austria find great difficulty in obtaining food. In Mecklenburgh, marriages are delayed by the conscription to the twenty-second year, and by military service for six years, yet food is not abundant. In Wirtemburgh, no man is allowed to marry until his twenty-fifth year, unless permission be specially obtained or purchased. At that age he must also obtain permission, which is granted on proving that he and his wife have together sufficient to maintain a family—in large towns, say from 800 to 1000 florins, = \$300 to \$400. A similar law prevails, and is strictly enforced, in Bavaria. Matrimony is placed under restrictions similar to those of Austria, yet there food is obtained with vastly greater difficulty than in other countries where no restraint exists. In Saxony, a man may not marry until he is 21 years of age, if liable to serve in the army, yet the people find it exceedingly difficult to obtain food.

If we were informed that the drinking of brandy was the cause of long life and health, but on a careful examination of what passes around us, were satisfied that the drinkers of

\* M. de Sismondi proposes to interdict marriage to all who do not own 10 acres, or who does not farm 20 acres.—(*Villeneuve*, i. 198.) He would submit marriage to a severe inspection, and is of opinion that guarantees should be demanded of the employer, to pay wages for a certain number of years to any of his workmen that might marry.—*Ibid.* 205.

† Hall's *Schloss Hainfeld*, p. 16.

‡ *Ibid.*

§ "At the last grand jubilee, in the next parish, 72 pairs of virgins adorned the procession, dressed in white, and covered with garlands of flowers. In eight months, 44 of them were in the family-way."—*Hall's Schloss Hainfeld*, p. 16.

brandy were neither so healthy nor so long lived as their neighbours who did not drink it, we should be tempted to doubt the correctness of the assertion. In like manner, when we see that in those countries in which restraints upon matrimony, vice, war, pestilence, and famine exist, the people obtain food with difficulty, whereas in proportion to their absence there is a constant improvement of condition, we may equally doubt whether those really are *the remedies provided by nature* against a deficiency in the supply of the means of subsistence.

The manner in which the principle of population acts, is thus stated by Mr. Malthus:

“There are few states in which there is not a constant effort in the population to increase beyond the means of subsistence. This constant effort as constantly tends to subject the lower classes of society to distress, and to prevent any great permanent amelioration of their condition. These effects, in the present state of society, seem to be produced in the following manner:—We will suppose the means of subsistence in any country to be just equal to the easy support of its inhabitants. The constant effort towards population, which is found to act even in the most vicious societies, increases the number of people before the means of subsistence are increased. The food, therefore, which before supported eleven millions, must now be divided between eleven millions and a-half. The poor, consequently, must live much worse, and many of them be reduced to severe distress. The number of labourers also being above the proportion of work in the market, the price of labour must tend to fall, while the price of provisions would, at the same time, tend to rise. The labourer, therefore, must do more work to earn the same as he did before. During this season of distress, the discouragements to marriage, and the difficulty of rearing a family, are so great, that the progress of population is retarded. In the meantime, the cheapness of labour, the plenty of labourers, and the necessity of an increased industry amongst them, encourage cultivators to employ more labour upon their land, to turn up fresh soil, and to manure and improve more completely, what is already in tillage, till, ultimately, the means of subsistence may become in the same proportion to the population, as at the period from which we set out. The situation of the labourer being then again tolerably comfortable, the restraints to population are in some degree loosened; and, after a short period, the same retrograde and progressive movements, with respect to happiness, are repeated.”\*

\* Population, book i., chap. 2.



To all this there is no other objection than that of being diametrically opposed to all experience, *except in those countries in which the remedies are applied*. Men make war upon and plunder each other. The labour that should be applied in increasing their own means of subsistence, is wasted in assaults upon their neighbours, and in destroying the capital which they have accumulated. Both parties are impoverished by the application of Mr. Malthus's remedy for over-population, the only effect of which is to keep the supply of food and clothing below the demand, and thus to cause people to perish from hunger and cold. Peace comes—the *remedy is withdrawn*—and capital begins again to increase. Production is increased and men are enabled to marry. There is now again a steady increase in the ratio of capital to population, and a steady improvement of physical and moral condition, until the further application of the remedies, when the accumulation of the former is again arrested, and starvation is again found limiting the growth of the latter. Alexander, and Tamerlane, and Bajazet, and Napoleon, have applied them very freely, yet few of the people over whom they reigned would have been disposed to admit that the means of subsistence were thereby rendered more abundant. If we look to England, in which the remedies have had comparatively small action, we find a constantly increasing population, and constantly increasing means of subsistence.\* Where they are not applied, the increase of population is most rapid: where they are, it is slow. Where population increases rapidly, the increase of food is still more rapid. Where population increases slowly, food increases also slowly. Where the former is almost stationary, the latter is in the same condition. In India, the increase of population for a long period was almost nothing: the preventive and positive remedies existed in full force, but the only effect was to keep food below population. Within thirty years, Bengal has been comparatively exempt from the remedies, and there is a great increase of population, and more rapid increase of food; while in Southern India, where the remedies continued longer in action, the former is almost stationary, and there is a very slow increase of the latter. In South America, where fertile land exists in abundance, there is a slow increase of both, while in England, where the quantity of land is very limited, there is a rapid increase of the one, and still more rapid augmentation of

\* See Vol. i., p. 63.

the other. In the former the remedies exist everywhere, while a large portion of the population of the latter is exempt from their action.

We see in every country, men who are poor and miserable from their own misconduct. Were we to take one of them, and trace him in his occasional hours of industry, and his succeeding days of idleness and intemperance, gradually wasting his means and his powers of earning a living, until we brought him diseased and wretched to the grave, and then to assert that he was the type of human nature at large—that he was only obeying a law of nature—that if he were sober and industrious, population would increase too rapidly—that for him, as one of the poor, was the Kingdom of Heaven—Mr. Malthus himself would reject our theory. He would point to the thousands who conduct themselves well, and who earn not only the means of support, but of constantly improving their condition, and would reject the idea that idleness or intemperance could be in obedience to a law of nature, or could lead to happiness here or hereafter. Yet, if all mankind were sober and industrious, men would speedily be compelled to eat each other for want of other food, according to Mr. Malthus. Honest industry leads to starvation. Licentiousness and crime, robbery and murder, tend to render the supply of food abundant. In reply to all this we have to offer the single fact, that with the increase of population and the extension of cultivation over the inferior soils, there is a constant increase in the return to labour, enabling men rapidly to improve their physical and moral condition.

The latest exposition of the views of Mr. Malthus, is contained in a letter to Mr. Senior, appended by that gentleman to his Lectures on Population. The following is an extract:

“Whether population were *actually* increasing faster than food, or food faster than population, it was true that, except in new colonies, favourably circumstanced, population was always pressing against food, and was always ready to start off at a faster rate than that at which the food was actually increasing.

“This constant pressure of population against food, which I have always considered as the essence of the principle which I endeavoured to explain in my work, appeared to me to be dis-

tinctly proved by the universally acknowledged fact, that whenever improvements in agriculture, or the effects of some destructive plague, loosened the restraints which kept down the population, it made a start forward at a greater rate than usual; and that further, notwithstanding the operation of the desire of bettering our condition, there were the strongest reasons to believe that the pressure in question occasioned premature mortality in every old country with which we were acquainted.

"The cause of this pressure, I thought, might be described by saying, that the human race had a *tendency* to increase faster than food."

Here we have a *law* of nature, with an exception in favour of new colonies, "favourably circumstanced." The favourable circumstances which are the cause of exception, are, we presume, abundance of fertile land. That being the case, the more widely scattered the population of that land the greater must be the facility of obtaining food. We have, however, evidence that in the new colonies of South Africa, of Central America, and of Australia, the difficulty of obtaining the means of subsistence has been far greater than in England. Throughout South America, fertile land is most abundant, yet the population are wretchedly poor: so much so, that the poorest inhabitant of a workhouse in England would not exchange with them. In those countries which are most favourably circumstanced in regard to abundance of land, and in which, consequently, there is the least tendency to over-population, there is the greatest tendency to the application of the remedies. The savage wanders over thousands of miles of fertile land, making war upon those who have been more fortunate than himself. The people of South America are constantly at war with each other. Person and property are less secure in Arkansas and Missouri than in New England. The remedies for over-population are applied abundantly in Spain, in which fertile land is abundant, but they are not needed in Massachusetts, where it is far less so.

It is asserted, that whenever improvements in agriculture, or some destructive plague, have loosened the restraints by which population has been kept down, it has made a start forward at a more rapid rate than usual. When men make war upon

their fellow men, plundering and destroying them, and producing pestilence and famine, the power of obtaining the means of subsistence is diminished, and men are deprived of the ability to improve their condition. Neither population nor capital can increase. When peace is restored, capital begins to accumulate; improvements in agriculture are made and production is increased; men readily obtain the means of supporting families; and the desire of improving their condition, accompanied by the knowledge that the object can be accomplished, produces habits of application. Marriages take place, vice and immorality diminish, and population increases with a daily improvement in the condition of the people.

Mr. Malthus is, however, of opinion, "that the desire of bettering our condition, as far as it affects the direct increase of food, is perfectly feeble, compared with the tendency of population to increase. The most intense desire of bettering our condition, can do nothing towards making food permanently increase, at the rate at which population is always ready to increase; and, in fact, this desire, in reference to the increase of food, operates in a very trifling degree upon the great mass of the labouring classes. They are not the persons who accumulate farming capital, and employ it in agricultural improvements, and the increase of subsistence. In this respect they are almost entirely passive."\*

In those countries in which the remedies have been applied, neither farmers nor mechanics can accumulate capital. Such has been the case in France, and Germany, and Spain, and Turkey, which are moderately peopled, but it has not been so in England, or in Holland, which are densely peopled—nor in the United States, which are not so—because the remedies have not been applied.

"In no old country that I have yet heard of, have the wages of labour, so determined, been for any length of time such as to maintain with ease the largest families. Consequently, in all old states there will always be a constant pressure, specifically, arising from the tendency of food to increase not being so great as the tendency of population to increase."†

\* Lectures on Population, Appendix, pp. 63, 64.

† Ibid., p. 65.

Again he says—

“The main part of the question with me, relates to the cause of the continued poverty and misery of the labouring classes of society in all old states.”\*

Mr. Malthus uniformly distinguishes between what is done, and what must take place, in *old* countries and *new* countries.

Brazil and the United States are both new countries, but how widely different is the condition of the people! Poland and Great Britain are old countries, but the difference is as great. It is more difficult to maintain a large family in Brazil than in Great Britain, because production is not so great in the former as in the latter. It is easier to maintain a large family in Great Britain now, than it was 50 or 500 years since, because a given quantity of labour will now yield a larger return in food, clothing and shelter. It is true that there is probably as much complaint now as in time past, but that is because the desire of improving our condition has made many articles necessary that formerly were not so; thus the pauper would now scorn the provision that formerly sufficed the student at Oxford. Had Mr. Malthus extended his views, he would have seen that the same laws applied to old and new states; and that the condition of the people was prosperous or otherwise, in proportion to the absence of the remedies for over-population. He would have seen Brazil poor, and the United States rich; Great Britain increasing in wealth with great rapidity, and France and Poland remaining almost stationary.

Mr. Malthus looked “forward to the possibility, and even the probability, of the labouring classes of society being altogether in a better situation than they are now, when the means of a further increase of food shall be nearly exhausted, and both subsistence and population shall have come nearly to a stand.”

It would be difficult, at this time, to determine when such a state of things shall arrive, nor is it important to anticipate it. If the powers of the earth to afford food be, as they probably are, absolutely incalculable, we may safely leave to future generations to settle the questions as to when population will press upon subsistence; as to the extent of the pressure; and the remedies that may then be required.

\* Lectures on Population, p. 71.

In support of the theory of over-population, it is usual to refer to the tendency to emigration. Thus our author says—

“If food had increased faster than population, would the earth have been overspread with people since the flood? Would the great migrations and movements of nations of which we read, have ever taken place? Would the shepherds of Asia have been engaged in such a constant struggle for room and food? Would the northern nations have ever overrun the Roman empire of the west? Would the civilized Greeks have been obliged to send out numerous colonies? Would these colonies have increased with great rapidity for a certain period, and then have become comparatively stationary? Would history, in short, have been at all what it is?”\*

When men exist under what Mr. Malthus deems the most favourable circumstances, that is, when land is most abundant, they wander about seeking to obtain from the earth, without labour, the means of subsistence. If they find what they want, they take it by force, without regard to the claims of the producer. Such is now the object of the wanderings of the savage tribes of Western America, and such was the object of the wandering nations of Europe. The remedies for over-population were in full force among them; wars and famines were of constant occurrence; the growth of capital was thus forbidden—subsistence could not increase—and the consequence was, a necessity for change of place, to which they were the more induced, as there was a prospect of a rich harvest of plunder.

As population becomes more dense, there is a constantly increasing tendency to security of person and property, permitting the growth of capital and the increase of production, and diminishing the *necessity* for change of place. We thus find the people of England and France existing under circumstances that would be deemed by Mr. Malthus far less advantageous than those in which lived the Britons and Gauls, and yet a labourer of our time can command a far greater degree of the conveniences and comforts of life than in former times fell to the share of men enjoying great consideration. With the diminishing *necessity* for emigration, we find a con-

\* Lectures on Population, Appendix, p. 66.

stantly increasing *ability* for it, and thus is exhibited at this time the spectacle of *emigration constantly increasing* with the improving condition of the people. It is greater in the United States than in any other part of the world. Next we find it in Great Britain and Ireland. In Germany, when wars and other remedies for over-population abounded, laws were made forbidding men to marry. Since the peace, the increase of capital has been great—population is increasing rapidly—men acquire the ability to emigrate—and emigration is now discouraged.\* When wars, pestilences, and famines abound, population is small, and men are *forced* to emigrate, to endeavour to obtain the means of avoiding starvation. When peace prevails, there are neither pestilences nor famines: population becomes dense, and men change their places of residence, induced by the hope of improving their condition, and carrying with them capital in the form of implements of all kinds, by the aid of which they are enabled to accomplish that object.

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MR. M'CULLOCH.

Adopting in full the doctrine that rent arises from the necessity of having recourse to inferior soils, Mr. M'Culloch says, that

“Even in those societies that are most rapidly improving, it” (the value of raw produce) “has a constant *tendency* to rise; for the rise of profits consequent to every invention, by occasioning a greater demand for labour, gives a fresh stimulus to population; and thus, by increasing the demand for food, again inevitably forces the cultivation of poorer soils, and raises prices.”†

\* “Some of the German governments have been obliged to make provision to arrest the depopulation of their country by law, and to enjoin the civil and military authorities to use their utmost influence to prevent emigration in future.  
\* \* \* \* \* The obstacles thrown in their way are such that only those who have property are able to receive their passports. There is now a law in Wirtemburgh, which obliges every subject, desirous of emigrating to America, to deposit the sum of 300 florins (\$120) with the civil authorities of Stutgard, which sum is only remitted to him at the seaport of his emigration.”—*Grund. The Americans*, p. 230.

† Principles of Political Economy, p. 488.

The consequence of this he deems to be the fall of wages, which can be remedied only in the following manner:

"Unless the labourers, who have been reduced from a higher to a lower rate of wages, defer the period of marriage, and thus retard the progress of population, the chances are five to one that they will never again attain to the elevation from which they have fallen."\*

This remedy is not, however, usually applied, and thus—

"Of all productions, that of human beings is the least susceptible of regulation; and as it is frequently found to advance most steadily in countries where poverty and misery have reached the extreme point of depression, and become almost universal, the only checks which can prove even temporarily effective, are those great and wide-spreading desolations to which we have alluded, combined with the permanent disregard of life which is found to prevail wherever mankind generally are reduced to the condition of the Hindoos, and which, among the latter, is fostered by the barbarous rites of a cruel and sanguinary superstition."†

Unfortunately for these statements, they are in direct opposition to experience. The value of raw produce does not rise, but falls steadily, as is abundantly proved by the fact, that any given quantity of labour will now command a much larger quantity of food than at any former time, and the tendency is to a constant increase. Neither does population increase most steadily where poverty and misery exist, but in those countries in which moderate labour insures a comfortable subsistence. In India and South America its advance is small, and in England and the United States it is great, and with few, if any, exceptions the rate at which population advances may be taken as an index to the amount of comfort enjoyed.

Mr. M'Culloch attributes to the desire of bettering our condition, much less influence than we have done.

"Though the desire of bettering our condition be a very powerful motive, it is less so than the pressure of want, or the fear of falling to an inferior station. \* \* \* Extraordinary exer-

\* Principles of Political Economy, p. 394.

† Encyclopædia Britannica, vol. xi., p. 393.



tions, whether of mind or body, are very rarely made by those who are enabled, without their assistance, to live comfortably.”\*

“The want of subsistence is, therefore, the universal and constant cause of emigration, which forces mankind to disperse themselves, and to explore the world for a more desirable abode. It is no love of change or of adventure which prompts them to wander into unfrequented parts. \* \* \* \* Where a community is happy and prosperous, mankind will follow their natural propensity to settlement and rest; and it is only when this principle is disturbed by an opposite and equally powerful principle, namely, the fear, or the actual experience of want, that emigration will be resorted to, as the least of two evils, not from choice, but from necessity.”†

When population in England was limited, and the most fertile soils only were cultivated, the people felt the pressure of want—the most severe toil yielded a bare subsistence—yet they did not emigrate. At present the same labour yields a great increase of comforts, and yet they do emigrate. Why should this be? Because, when the superior soils alone were cultivated no labour would procure the means of emigration, as labour was unproductive, and the means of locomotion were bad. Now, travelling is easy, and every man can obtain the means of changing his place of residence. Improved condition begets increased desire of improvement, and increased knowledge enables men to know that by resorting to soils that by distance from market are rendered inferior, they may find a greater facility in obtaining the necessaries of life.

The countries from which emigration is greatest, are those in which people live best. That from the eastern to the western United States is far greater than from England, and from England it is greater than from Spain or Portugal.

Following out the doctrine of the necessity of cultivating inferior soils with diminished return, Mr. M'Culloch says, it is “plainly impossible that the population of England or of France can be doubled at the same time with that of Kentucky or Illinois, owing to the greater sterility of the soils, by which the

\* Principles of Political Economy, p. 225.

† Encyclopædia Britannica, vol. viii., p. 684.

quantity of produce to be divided, is much less than in America."\* Only 40 per cent. of the population of Great Britain is employed in agriculture, and the remainder cultivate a soil for which nature has done as much as she has for that of the United States. They are employed in manufactures, in trade, in navigation. They have as good steam and as good wind. Nature has not played step-mother to them, but here the quantity of produce to be divided is as much less as it is in agriculture. Why is this? In this case it certainly is not owing to any "sterility of the soil." May it not be attributed to the fact, that war, and other remedies for over-population, have destroyed the capital which should have been applied to aid production, or that restrictions upon its employment have sent it abroad? or that the frequent application of the remedies has prevented the diffusion of knowledge among the people, and the consequent increase of their productive power? The weavers of France and of India cultivate the same soil as those of Great Britain and the United States, but the remedies have destroyed their means of doing so with advantage.

"It may be said, perhaps, that allowance must be made for the effects of the improvements which may be supposed to take place in agricultural science in the progress of society, or the possible introduction, at some future period, of new and more prolific species of crops. But it is easy to see that the influence of such improvements and changes must, supposing them to be realized in the fullest manner, be of very temporary duration; and that it cannot affect the truth of the principle, *that the power of increase in the human species must always, in the long run, prove an overmatch for the increase in the means of subsistence.* Suppose by some extraordinary improvement the quantity of food and other articles required for the subsistence and accommodation of man, annually produced in Great Britain, were suddenly doubled; the condition of all classes being in consequence signally improved, there would be less occasion for the exercise of moral restraint; the period of marriage would therefore be accelerated, and such a powerful stimulus would be given to the principle of increase, *that in a very short*

\* Encyclopædia Britannica, vol. iii., p. 222.

*period the population would be again on a level with the means of subsistence*; and there would, also, owing to the change that must have been made in the habits of the people with respect to marriage, during the period that the population was rising to the level of the increased supply of food, be an extreme risk, lest it should become too abundant, and produce an increased rate of mortality. Although, therefore, it is not possible to assign any certain limits to the progress of improvement, it is, notwithstanding, evident that it cannot continue for any considerable period to advance in the same proportion that population would advance, supposing food were abundantly supplied. The circumstance of inferior lands, which require a greater outlay of capital and labour to make them yield the same supply as those that are superior, being invariably taken into cultivation in the progress of society, demonstrates, what is otherwise indeed sufficiently obvious to every one, that, in despite of improvements, the difficulty of adding to the supplies of food is progressively augmented as population becomes denser.”\*

This argument is based upon the supposition that the return to labour decreases as resort is had to inferior soils, which is certainly not the case, as we have shown, we trust to the satisfaction of the reader. The theory of population rests chiefly upon this theory of rent, and if the latter cannot be established, the former is left almost without support. With the extension of cultivation over inferior or more distant soils, there is a daily increase in the return to labour; and as there is no reason to doubt that such may be the case for centuries to come, we may leave it to our successors to determine what course is to be adopted when the world really becomes crowded.

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MR. MILL.

Mr. Mill says, “If it were the natural tendency of capital to increase faster than population, there would be no difficulty in preserving the prosperous condition of the people. If, on the other hand, it were the natural tendency of population to increase faster than capital, the difficulty would be very great. There would be a perpetual tendency in wages to fall; the pro-

\* Principles of Political Economy.

gressive fall of wages would produce a greater and a greater degree of poverty among the people, attended with its inevitable consequences, misery and vice. As poverty, and its consequent misery, increased, mortality would also increase: of a numerous family born, a certain number only, from want of the means of well-being, would be reared. By whatever proportion the population tended to increase faster than capital, such a proportion of those who were born would die; the ratio of increase in capital and population would then remain the same, and the fall of wages would proceed no further. That population *has* a tendency to increase faster than, in most places, capital has actually increased, is proved incontestibly by the condition of the population in most parts of the Globe. In almost all countries the condition of the great body of the people is poor and miserable. This would have been impossible, if capital had increased faster than population. In that case, wages must have risen; and high wages would have placed the labourer above the miseries of want. This general misery of mankind is a fact which can be accounted for upon one only of two suppositions: either that there is a natural tendency in population to increase faster than capital, or that capital has, by some means, been prevented from increasing so fast as it has a tendency to increase. This, therefore, is an inquiry of the highest importance.”\*

It is singular that any one should suggest for a moment the tendency of population to increase more rapidly than capital, having before him the examples of England and the United States. In no countries has the growth of population been as little impeded by the remedies, the necessary consequence of which is that in none has capital increased so rapidly in its ratio to population. Every day adds to the mass of the one, accumulated in the various forms necessary to aid production, while every day sweeps off a part of the other, whose successors are enabled by its aid to obtain a constantly increasing return to labour. If we wish to measure the increase, we need only look to the days of the Saxons, and compare the vast amount of capital now existing, with its almost entire absence at that time, and we shall obtain results nearly corresponding with those which would be obtained from comparing the people inhabiting the Rocky Mountains, with those of the county of Middlesex. In the United States, there has been nothing to

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\* Principles of Political Economy, chap. ii. § 2.

restrain the growth of population, yet the ratio which it bears to capital is not one-tenth as great as it was a century since. A large portion of mankind are undoubtedly "poor and miserable," because they have been constantly engaged in applying the remedies for over-population—robbing and plundering each other—and have thus kept food below population.

Mr. Mill says, that if capital had increased more rapidly, "wages must have risen." It is really marvellous that the pursuit of a theory should so far mislead such men as the one now under consideration. It is entirely impossible to read any book treating of the people of England of past times, without being struck with the extraordinary improvement of the means of living—with the increased facility of obtaining food, clothing, and shelter, and with the improved quality of all—enabling the common labourer now to indulge in numerous luxuries that in former times were unknown to people who might be deemed wealthy—and yet we are told that wages "must have risen," if capital had increased in its ratio, when we all know that wages *have* risen, affording abundant evidence that capital *has* increased.

Mr. Mill assumes, that with the extension of cultivation *there must be* a constant decrease in the return to labour, and that therefore the natural tendency of capital to increase must be slower than that of population, which fact being established, "it is," he says, "of no consequence to the present purpose to inquire about the rapidity of the increase. How slow soever the increase of population, provided that of capital be still slower, wages will be reduced so low that a portion of the population must regularly die of want."\*

The second suggestion offered by Mr. Mill for our consideration, *viz.* "that capital has, by some means, been prevented from increasing so fast as it has a tendency to increase," is that which we have desired to prove to the reader. Where the remedies for over-population have not been applied, it certainly has increased faster than population. Where they have been applied, we find capital increase slowly—the population poor and miserable, and not unfrequently dying "of want." The natural inference is, that instead of being the remedies provided by nature to prevent over-population, they are the disturbing causes produced by man, the effect of which is to prevent improvement of physical and moral condition.

\* Principles of Political Economy, chap. ii. § 3.

## CHAPTER X.

REVIEW.—MR. SENIOR.—DR. CHALMERS, AND OTHERS.

MR. SENIOR.

WE now proceed to give the views of Mr. Senior, which in some respects agree with those of the writers previously noticed.

The law of population is thus stated—

“ We have already stated that, as a general rule, additional labour employed in the cultivation of the land within a given district, produces a less proportionate return. And it has appeared that such is the power of reproduction and duration of life in mankind, that the population of a given district is capable of doubling itself at least every twenty-five years. It is clear, therefore, that the rate at which the production of food is capable of being increased, and that at which population, if unchecked, would increase, are totally different. Every addition made to the quantity of food periodically produced, makes in general a further periodical addition more difficult. Every addition to the existing population diffuses wider the means of still further addition. If neither evil, nor the fear of evil, checked the population of England, it would amount in a century to above two hundred millions. Suppose it possible that we might be able to raise or to import the subsistence of two hundred millions of people: is it possible that, one hundred and twenty-five years hence we should be able to support four hundred millions? or, in one hundred and fifty years, eight hundred millions? It is clear, however, that long before the first century had elapsed, long before the period at which, if unchecked, we should have attained two hundred millions, no excellence in our institutions, or salubrity of climate, or unremitting industry, could have saved us from being arrested in our progress by a constantly increasing want of subsistence. If all other moral and physical checks could be got rid of; if we had neither wars nor libertinism; if our habitations, and

employments, and habits were all wholesome, and no fears of indigence or loss of station prevented or retarded our marriages, famine would soon exercise her prerogative of controlling, in the last resort, the multiplication of mankind.

"But though it be certain that the absence of all other checks would only give room for the irresistible influence of famine, it is equally certain that such a state of things never has existed and never will exist."\*

The cause of error here, is to be found in Mr. Senior's limiting himself to the consideration of the operations of "a given district." There can be no doubt that, if the people of England went on to double in every 25 years, they would in time find only standing-room; and the time may come when the world will be so fully peopled that each man may have but half a dozen square feet upon which to rest his feet; but this is a question that is not now important. All that is now desired is to ascertain what are the circumstances which attend the gradual increase of population now going on in most parts of the world.

When the ark rested on Mount Ararat, Noah and his family had the world before them where to choose, and from his family was a world to be peopled. Such again was the case with the early settlers of the United States. In tracing the course of the latter, we find them gradually extending themselves over the surface, and at the same time descending into the inferior soils, obtaining in both cases a constantly increasing return to labour. No evil, nor fear of evil, checks their growth. They find universally that increase of population is accompanied by increase of capital, by-aid of which the increase in the means of subsistence is greater than is the number of mouths for its consumption. The people of New England now overflow, as the people of England have done in time past, and as they now do, and the tendency thereto increases with improvement in the means of cultivation, because the greater the productiveness of labour, the greater is the power of the people to change their condition with advantage to themselves. The United States are to England what a new Devonshire or Lin-

\* Outline of Political Economy, p. 141.

colnshire would be, and the transfer thereto is attended with little more trouble or expense than is daily incurred by the inhabitants of New England, New York, and Pennsylvania, in removing to the West. Where population least presses on the means of subsistence, there is emigration greatest, and there population increases with the greatest rapidity, because there the people are most able to improve their condition, morally and physically.

Such has been and such must continue to be the case, as certainly as the base of a structure will widen with every increase of its height, when the materials are permitted to find the place assigned to them by the laws of gravitation. With the increase of the base of the human *pyramid*, the apex will obtain increase of elevation. The tendency to emigration is in the ratio of wealth, and of physical, moral, and intellectual development.

Mr. Senior sees, however, but little benefit likely to result from increase of territory. He believes there is a constant *tendency* to over-population, and thus, although, "if a new Devonshire, or a new Lincolnshire, fit for immediate cultivation, were now suddenly added to our shores, the immediate consequences would be, an increased supply of provisions, and a fall in their price," yet "if this accession to our territory were followed by no change in our habits and institutions, the comparative cheapness, which would be its immediate consequence, would gradually disappear as our population rose with the increased supply of subsistence, and, ultimately, we should be just where we are now, excepting that we should be rather more numerous. So, if tithes were suddenly commuted, and their interference, such as it is, with agricultural improvement, got rid of, the same consequences would follow as if the extent of our territory, or its fertility, were suddenly augmented. And, supposing no improvement to take place in our institutions and habits, the consequent increase of our population would bring us back, as far as the price of provisions is concerned, to the point at which we are now."\*

\* Outline of Political Economy, p. 180



The disadvantages resulting from the theory now under consideration, are here made obvious. Whatever improvements may be made, so irrepressible is the tendency to over-population, that man is supposed to fall back in a short period to the point from which he started. It is therefore almost useless to attempt them. In opposition to this, however, is the fact that, for centuries past, every year has seen large quantities of waste land brought into cultivation—the “immediate consequence” of which has been “an increase in the supply of provisions,” and a fall in the *labour* price: there has been “no change of habits or institutions,” except that with improvement of physical and moral condition, people marry more readily now than in any past time; and yet with every extension of cultivation and increase of population, the labourer finds increased facility of obtaining the means of subsistence.

As population becomes more dense in the immediate vicinity of London it extends itself over lands more distant, bringing into activity those which but recently were deemed valueless at home, and those from which the people were separated by the Ocean, the passage of which is daily rendered more easy, while they are daily becoming more able to meet the expenditure incident to the removal. In this manner are trans-Atlantic Devonshires and Lincolnshires annually added to England, and the power of further adding new countries and states exists to an almost unlimited extent. Lands “fit for cultivation,” but wanting value because labour has not been expended upon them, are daily brought into activity and obtaining value, affording a constantly increasing return to both labour and capital, and producing constant improvement of condition.

That improvement has been accompanied by a vast increase of population, and the more rapid that increase, the greater has been, throughout the world, the improvement of condition. Population has so increased, because the means of living have been more easily obtained, and the duration of life has increased with the increased comfort of living. Increased health and prolonged life have tended to improve the means of production and the ability to accumulate, and thus capital, population, and wages, have increased together. Many of the countries of Europe labour under the disadvantage of a scattered popu-

lation, which renders it difficult to exchange the articles they produce for those which they require, and thus the people on the Vistula are obliged to send their grain to Dantzic, on its way to Holland or England, whereas an increase of population and of capital would enable them to make their exchanges at the place of production. They want population, and they want capital. Any reduction of the former must increase the difficulty in making their exchanges, and yet Mr. Senior is of opinion—

“That there are few portions of Europe, the inhabitants of which would not now be richer, if their numbers were fewer, and would not be richer hereafter, if they were now to retard the rate at which their population is increasing.”\*

Their numbers can be retarded by the same causes that have heretofore kept them down—insecurity—absence of freedom—and heavy taxation. It can be increased by no other means than those that will give them security—freedom of action—freedom of trade—and the power of retaining the produce of their labour—enabling them to increase their capital, to improve their modes of cultivation, and their facilities of exchanging their products with others who require them. We see that,

“At present, among civilized nations, the cultivation of the land employs only a portion of its inhabitants, and, generally speaking, as a nation increases in wealth, a smaller and smaller proportion; in England, not one-third; and a great part of the labourers so employed are the producers of luxuries.”† Every increase in the proportion which the producers of conveniences and luxuries bear to the producers of the necessities of life, is accompanied by an increase in the quantity of all commodities that may be obtained in return for a given amount of labour. Thus Mr. Senior says of England, that much as the population “has increased within the last five centuries, it yet bears a far less ratio to subsistence (though still a much greater than could be wished) than it did 500 years ago.”‡

The increase that has taken place in England, in the ratio of subsistence to population, has been nearly in the ratio of the

\* Outline of Political Economy, p. 146. † Ibid., p. 144. ‡ Ibid., p. 148.

increase of population itself, and it is now going on, in both England and the United States, at a rate as much more rapid than that of former periods, as is that of population.

The causes which, in an improved state of society, tend to diminish the rate of increase, are thus given—

“The absence of all the other moral and physical evils which retard population, implies a degree of civilization not only high, but higher than mankind have as yet enjoyed. Such a society cannot be supposed to want sagacity sufficient to foresee the evils of a too rapidly increasing population, and prudence sufficient to avoid them. In such a state the preventive check would be in full operation, and its force is quite sufficient to render unnecessary even the approach of any positive check.”\*

The great preventive check is deemed to be, “the fear of losing the decencies of life, or, what is nearly the same, the hope to acquire, by the accumulation of a longer celibacy, the means of purchasing the decencies which give a higher social rank. When an Englishman stands hesitating between love and prudence,” says Mr. Senior, “a family actually starving is not among his terrors; against actual want he knows that he has the fence of the poor-laws. But, however humble his desires, he cannot contemplate without anxiety a probability that the income which supported his social rank, while single, may be insufficient to maintain it when he is married; that he may be unable to give to his children the advantages of education which he enjoyed himself: in short, that he may lose his caste. Men of more enterprize are induced to postpone marriage, not merely by the fear of sinking, but also by the hope that, in an unincumbered state, they may rise. As they mount, the horizon of their ambition keeps receding, until sometimes the time has passed for realizing those plans of domestic happiness which probably every man has formed in his youth.”†

Man may be defined to be *an animal whose great desire is to better the condition of himself and his descendants*. That desire may be, and is, repressed by the inability to effect it; but hold out to him the slightest hope of gratifying it, and all other desires become lessened in intensity, to an extraordinary degree.

\* Outline of Political Economy, p. 142.

† Ibid., p. 144.

It is the first, and leading desire among all civilized nations, and increases with any additional facilities for its gratification. Mr. Malthus says of population, that it is always pressing against food; but this desire presses either for or against population, as the one or the other may be most advantageous.

There is no way in which a man does more to better his condition, morally and physically, than in taking a partner of his joys and his sorrows—his labour and his recreation—in the form of a wife. In a country like the United States, where, in consequence of the general security of person and property, and the comparative absence of taxation, there is the strongest reason to hope for an improvement of condition, there is no hesitation about doing so, and thus making a step towards that improvement. Marriages, therefore, take place early; the parties have abundance of food of the best quality; the product of the union is large, and a very large portion reach maturity. In exact proportion to the increase in the ratio which the youthful bear to the aged, do we find increase in the productiveness of labour, as has already been shown.\* In the same proportion do we find diminution in the severity of labour,† and thus in England and the United States the youthful are enabled to contribute largely to the increase of production.

The world at large is governed by the same laws as those which influence the operations of England and the United States. Were men to abstain from using the *remedies* for over-population—were wars to cease—were they to use the plough and the shuttle instead of the musket and the broadsword—pestilences and famines would no longer occur—capital and population would grow together—the people of Europe would gradually extend themselves over the world—and every increase of numbers would be attended by an improvement of condition.

Mr. Senior is of opinion, that “no plan for social improvement can be complete, unless it embrace the means both of increasing production, and of preventing population from making a proportionate advance. The former is to be effected chiefly by the higher orders of society; the latter depends entirely on

\* Page 45, *ante*.

† See vol ii., chap. vi.

the lower.”\* Also, that “knowledge, security of property, freedom of internal and external exchange, and equal admissibility to rank and power, are the principal causes which at the same time promote the increase of subsistence, and by elevating the character of the people, lead them to keep at a slower rate the increase of their numbers. And that restrictions on exchange and commerce, artificial barriers excluding the great majority of the community from the chance of social eminence, and, above all, ignorance and insecurity of person or property, are the general causes which both diminish the productiveness of labour, and tend to produce that brutish state of improvidence in which the power of increase, unchecked by prudence, is always struggling to pass the limits of subsistence, and is kept down only by vice and misery.”†

Mr. Senior believes that self-restraint will arise out of improved condition, whereas we believe that man was so organized that but little restraint is necessary to fit him for his actual condition. If he be a slave, he is gay and happy. If *nominally* free, he plants his acre of potatoes, and is content with the miserable proceeds. In either case he avails himself of the indulgences that are within his reach; of mind he has little, and no opportunity to indulge himself in any thing that requires it, and of course he is reduced to animal enjoyments. Raise him in the scale—place him in an improved condition—and his mind begins to expand; with increased means of gratification, new channels are opened to him, that tend to supersede the old ones, and there is generated a habit of thoughtfulness to which he has been totally unused. That thoughtfulness is remarked by foreigners as a characteristic of the people of the United States; but with the same cause their own countrymen would perhaps be equally so. The slave is more gay than the freeman.

Mr. Senior is of opinion that the remedy for the “brutish state of improvidence” above described, rests chiefly with the lower orders, whereas we are of opinion that it rests chiefly with those of a different order, who have it in their power to excite in those orders the hope of bettering their condition. Mr. Senior desires that they should “fear” a deterioration,

\* Lectures on Population, Appendix, p. 90.

† Ibid., p. 51.

while we would have them *hope* for improvement; and in order that they should have it, we would remedy all those grievances which have tended to repress it. We would adopt the measures above recommended, by which they should acquire security and freedom, with the right of enjoying the fruits of their labour. The consequence would be, that population would increase, and with it capital; wages and profits would advance; the situation of the landlord and the tenant would be improved; both would be induced to exertion by the hope of bettering their condition, and that hope would point always to the measures most likely to secure it. If it pointed either to matrimony or celibacy, they would follow it, and in the latter case, it would be attended with comparatively small sacrifice of inclination.

Mr. Senior, however, is of opinion that the productive power of a nation, in which the population is slowly increasing, is greater than in one in which it increases rapidly, and, of course, that the power of accumulation is greater. On this head he says—

“It is obvious that, the number of persons and the rate of increase in any two countries being given, that country would have the greater number of adults in which the average duration of life was the longer; and, the longevity being given, that country would have the greater proportion of adults in which the rate of increase was the slower. Longevity, and a population stationary or slowly increasing, are therefore favourable to the productiveness of labour.”

In this view he accords with M. Quetelet\* and Sir F. d'Ivernois.† We have, we think, shown‡ that longevity, a rapid increase of population, and high productive power, generally accompany each other. It is unnecessary here to repeat the argument, and we must therefore refer our readers to our sixth chapter.

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MR. WAKEFIELD,

A recent writer, says—

“If all the British men and money that were wasted during the last war—if, further, the hundreds of millions of capital

\* Sur l'Homme. † Sur la Mortalité Proportionelle. ‡ Page 45, *ante*.

which have been lent to foreign governments, and lost in distant speculations during the peace, together with the hundreds of thousands of people who have emigrated from Britain during the last twenty years—if this prodigious mass of capital and people should be suddenly recalled, what would become of it?

\* \* \* \* \* Then should we see a terrible aggravation of that process by which, even at present, profit is turned into loss, and capital is effectually kept down to the limit of investment.”\*

If all this capital and population could be suddenly recalled, we agree fully with the writer that much disturbance would be produced. The waste was a disturbing cause, and the *sudden* restoration would be another; but if the waste and the destruction of life had not taken place, and if the people of England had been permitted to exert their energies without restriction, profits and wages would be vastly higher than at present. Production would be greater, and the return to both capitalist and labourer would be increased.

The suggestion of the effect of sudden changes is very common among the advocates of Ricardo's doctrine of rent, and that of Mr. Malthus on population. If the thermometer were to fall suddenly from 100° to zero, what would be the effect upon the people who were obliged to bear it? Would it not destroy a large portion of them? If all the powder manufactured during the last war were now produced and offered for sale, what would be its value? If all the men that were killed were brought to life, without the capital that was destroyed with them, wages would fall. If all the capital were reproduced without the men, wages would rise, because the capitalist would want more men than he could find. Sudden changes never take place in nature, and it is useless to suppose them.

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REV. DR. CHALMERS.

Dr. Chalmers proposes the following remedies for the present state of affairs—

“Let labourers, on the one hand, make a stand for higher wages, (and this they can only do effectively by refraining from

\* Notes to Wealth of Nations, by the author of England and America, vol. i., p. 251.

over-population,) and let capitalists, on the other, make a stand for higher profits, (and this they can only do effectively by refraining from over-speculation,) and then, so far from their condition being over-ruled by the state of husbandry, they may jointly over-rule that state." Again he says—" *By means of expenditure in this class of society,*" (the capitalist's) "*profits might be sustained at any given level.*" In Poland may be found the very *beau ideal* of the Doctor's theory. There the capitalists spend all they receive, and population increases slowly, yet the condition of the people is not such as to induce a desire to follow their example.

In the United States may be found the opposite. Expenditure is great, because labour is productive; but a large amount is annually accumulated. Population increases rapidly, and each year gives increased facilities of exchange, because of the diminished proportion required to be employed in the production of food: each year brings with it increased facility in accumulating capital, giving increased means of production, so that the more rapid the increase of population, the greater are the means of enjoyment.

Where man has the prospect of enjoying the product of his labour, he will be industrious, and thus in England industry tends to increase with increase of capital and increased means of living. Much has been done by the poor-laws to prevent it, and the consequence has been an apparent surplus of population; but even that is in train to be remedied.

The Second Annual Report of the Poor-law Commissioners settled the problem, by showing the entire absorption of the apparent surplus, and the general employment of the agricultural labourers at good wages, together with the employment of their children. So scarce had labour been in some of the depauperized districts, notwithstanding the absorption of the alleged surplus, that the farmers had been compelled to bring into use again the machines which were put aside in consequence of the agricultural riots in 1830. This was accomplished in districts which were but recently complaining loudly of distress, and where there had been no assistance from demand for labour in the new rail-roads, or from emigration.



## MR. SCROPE.

The views of Mr. Scrope accord very much with those which we have submitted for the consideration of the reader. He is of opinion that "the misery and wo, the vice and starvation that have exhibited themselves in such frightful frequency among men, have ever been the effect of tyranny and crime, of mis-government, of the indulgence of their evil passions; not so much through their own ignorance and mistaken views, as through the force and fraud of the powerful, and the control of unjust or unwise institutions, which have tied-up the hands of millions, and prevented them from helping themselves to the abundance provided by a bountiful Creator as the meet reward of their exertions; which have confined them by artificial restraints, enforced for the benefit of the powerful few, till disease and famine have thinned their numbers, or like caged rats, they have been goaded by despair and hunger to prey upon each other."\*

In reply to this the disciple of Mr. Ricardo says, that with every increase of population, it is necessary to cultivate inferior soils, yielding a diminished return to labour, and therefore that it is totally impossible that we can avoid a constant diminution in the ratio of food to population. The disciple of Mr. Malthus shows that if the people of England shall continue to double in 47 years, there will at the expiration of a given time be barely standing-room for them. It is useless to point to the fact, that the world is as yet in a great degree unpeopled, as that merely extends over a few centuries the process of peopling it, and if the earth were as large as Jupiter, the answer would be the same. The great *discovery* in relation to population is, that there is a constant pressure of food against population, and that the latter is only restrained by wars, misery, and vice, whereas food is abundant in the precise ratio that men remain at peace and refrain from plundering their neighbours. The *discovery* is not borne out in a single case that has ever fallen under our observation.

\* Principles of Political Economy, p. 279.

MR. GREG.

In one of his lectures at the Royal Institution, Mr. Farraday "insisted upon the necessity of checking new opinions by extreme instances; and of not resting satisfied with an explanation which *might account for a few selected cases, and leave the great mass not merely unexplained, but in strong contradiction.*" Every investigator of the operations of nature should have this necessity strongly impressed upon his mind, as without it he is liable to waste much time in the construction of theories, to be disproved by the adduction of facts which he could perhaps have readily obtained. Every day gives birth to theories that are in "strong contradiction to a great mass of facts," and each tends to bewilder and mislead the inquirer after truth. The political economists and statisticians of Europe are accustomed to reason almost exclusively from facts collected in that part of the world, overlooking the operations of the United States, where nature works on a grand scale, and where her mode of proceeding is more easily detected, because less fettered by restriction.

A new law of population was submitted to the meeting of the British Association in Dublin, by Mr. Woronzow Greg, secretary of the statistical branch of the Association. It is thus stated:

"We come now to notice one proposition, discovered by my brother and myself some years ago, which is so constant, as almost to entitle it to the application of a general law, although the *modus operandi* is difficult to conjecture. *The proportion of births to a marriage appears to vary inversely as the proportion of marriages to the population.*"

Such is the discovery at which Mr. Greg has arrived, in consequence of not adopting the course indicated by Mr. Farraday. Had he, instead of limiting his examination to the counties of Great Britain, and the divisions of France and the Netherlands, extended his views to the United States, he would at once have seen that it was in direct opposition to the facts afforded by them, and not being universally true, could not be a *law*. He might then have been induced to a further examination, with a view to ascertain what were the causes of the *apparent* differ-

ence in Europe, and would doubtless have ascertained them with little difficulty.

We proceed now to examine the rate of marriages to population, in the several provinces of the Netherlands, with a view to ascertain what inferences can be drawn from them.

				Births to a marriage.
In North Holland, the marriages are 1 in 104,				4.50
Overijssel,	"	1	121,	4.60
Utrecht,	"	1	118,	4.86
Guelders,	"	1	131,	4.75
Zeland,	"	1	113,	5.49
Luxemburg,	"	1	149,	5.37
East Flanders,	"	1	165,	*5.82

With the exception of Zeland, these results might *seem* to confirm the views of Mr. Greg, but when examined we find that it is only *seeming*. In North Holland, Overijssel, Utrecht, and Guelders, we find that the population does not increase equal to the difference between the deaths and births, while in Luxemburg and East Flanders the increase is far greater than that difference. It is thence evident that emigration goes on from the former to the latter. The people who emigrate are neither the very young nor the very old, but people in the middle stages of life, and frequently those recently married. The marriages take place where the parties were born, but their children are produced at the place to which they remove. The proportion of marriages to population is increased in the one case, and diminished in the other. In the former, the marriages appear not to produce the average number of children, while in the latter, they appear to exceed it.

In Zeland, marriages are numerous and fruitful, notwithstanding a *great* increase of population from immigration. Where subsistence is most easily obtained, people marry early, and immigrants swell the number of children, and thus as in the United States, marriages are both numerous and prolific.

To attempt to deduce the law of population from the movements of the provinces of the Netherlands or of France, ap-

\* Official Returns. Hague, 1827. Reprinted in Foreign Quarterly Review.

pears to us like attempting to obtain the rapidity of a current from an examination of the movements of the water among the eddies of the shore. The laws of nature must be studied where the stream runs freely. We have seen some statements of Sir Francis d'Ivernois,\* showing the superior condition of the Swiss parish of Mintreax, with a population of 2833,—of Leigsin, which doubles in 2636 years,—of Normandy, which doubles in 398 years,—of Orne, one of the departments of Normandy, which doubles in 217 years—and of Manche, another department, which doubles in 763 years. Normandy is more prosperous than some other parts of France which increase more rapidly, and its prosperity is attributed to the circumspection which delays marriage, and causes it to be less prolific. If such be the case with Normandy, why is not France more prosperous than Great Britain? Marriage is uniformly later, and if that circumstance produce prosperity in Normandy, when compared with France, it should do the same for the kingdom at large. It is sufficiently difficult to obtain accurate ideas from the records of the movements of nations like France, England, or the United States, but to attempt to do so from that of the *provinces* of France, can be productive of no advantageous result. If it were attempted in relation to the United States, it would be found to give the most erroneous results.

Marriages take place in the eastern states, and the parties remove to the west, and there their children are born. The necessary consequence is, that the ratio of marriages in the east is high and that of births is low. In the west, marriages would be few in proportion to the population, and births would be numerous. The results deduced by Mr. Sadler, from such an examination of the progress of several of the states, are in the highest degree absurd. Mr. Malthus had before made the same mistake.†

\* Foreign Quarterly Review, vol. xiii, p. 276.

† "In the back settlements, where the sole occupation is agriculture, and vicious customs and unwholesome occupations are little known, the population has been found to double itself in fifteen years."—*Vol. i, p. 7*. Vicious customs are vastly more numerous and widely spread in the new countries of the west, than in the old one of Massachusetts. Morality tends to increase with increase of population.

## M. QUETELET.

The theory of M. Quetelet\* is, that fecundity tends to diminish as population becomes more dense, being precisely that advocated by Mr. Sadler. In support of this doctrine he says, that in the United States at first it increased with surprising rapidity, "but that, in a short time, this rapid growth met with obstacles, and the rate of increase became uniform in an arithmetical, and not in a geometrical ratio. He then gives the following view of the population at several periods, and of the rate of increase:

1780,	2,051,000,	increase per cent.	6.2
1790,	3,929,326,	"	3.0
1800,	5,306,035,	"	3.1
1810,	7,239,703,	"	2.87
1820,	9,654,415,	"	1.9
1825,	10,438,000,	"	1.9

"Thus," says he, "although the population has received considerable augmentation, the course of things is the same as in 1780; there is as much of room and of subsistence for the new comers, since each year there come about 190,822 persons to occupy the spaces that are to be filled. These additions are less sensible when they are calculated, as is usually done, in their proportions to population. Fecundity is diminished, because the care of filling the places that become vacant, is divided among a greater number of persons."

M. Quetelet has taken for his first table an amount of population for 1780, for which there is no authority. The estimates prior to the census of 1790 are uncertain, nor is it important to use such calculations, when an accurate census for half a century can be obtained. The most accurate estimate that is known to have been made, is that prepared by order of Congress in 1775, and which gave a total population, free and slave, of 2,750,000, or 700,000 more than M. Quetelet supposes to have been in existence in 1780. Rejecting his first quantity, and commencing with 1790, there is a nearly uniform growth, until he arrives at 1825, when he takes a statement of similar kind,

\* *Sur l'Homme et le developpement de ses Facultes.* 2 tomes 8vo. Bruxelles, 1835.

giving a population far below the real amount, and derived from Professor Rau; but where that gentleman could obtain his information, it is difficult to imagine. The growth for forty years previous to the publication of Professor Rau's statement, had been so uniformly 3 per cent. per annum, that no one but himself could have assumed a different rate. There was no census between 1820 and 1830, and it must have been altogether guess work; yet M. Quetelet takes it in preference to the census of 1830, which had been three years before the world when his book was printed, and is in fact contained in his work.

We now give the population as ascertained by the census of five periods, of ten years each, with the precise rate of increase, that the reader may see how far the theory of M. Quetelet has misled him.

1790,	3,929,328,	increase per cent. in ten years,	35.1
1800,	5,309,758,	" " "	36.3
1810,	7,239,903,	" " "	33.1
1820,	9,638,166,	" " "	33.4
1830,	12,858,670,		

Thus the theory which was to be proved by taking a supposed amount of population for the first and last terms, is entirely disproved. The reader will remark, that, in the tables first above given, the only difference is to be found in these two periods; because, although M. Quetelet has given two periods (1820 and 1825) with an annual increase of 1.9, the last is evidently an error, as that gentleman could not have intended to fix the rate of increase that was to take place from 1825 to 1830; particularly when the results of the census of 1830, as given in his book, were so widely different.

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Few books have been published that appeared likely to exercise more influence upon the destinies of the human race, than that of Mr. Malthus. Instructed, by the example of the United States, in the fact that population could increase with great rapidity, and seeing around him great deficiency of the means of living, as well in regard to food as to clothing, he jumped at once to the conclusion, that this poverty was the result of inability of the earth to increase the supply of food in a corres-

ponding degree, and that war, pestilence, and famine were remedies provided by nature for the counteraction of this tendency to over-population, whereas further examination might have satisfied him that they were the disturbing causes, which prevented the supply of food from keeping pace with population.

There can be no doubt that man may increase in a geometrical ratio; as little can there be that in some parts of the world there is great poverty; but it does not follow that the latter is the result of inability of the earth to meet any demands that may be made upon it. The tide rises, and the wind blows, but if it were asserted that the wind depended upon the tide, it would be shown that they were as often opposed to each other as in accordance, and the theory would fall to the ground. In regard to that of Mr. Malthus, it is questionable if there can be produced a single case of increased population accompanied by increased poverty, whereas the experience of nearly the whole human family is of an opposite kind, and tends to prove that increase of population is attended with increased means of living, while depopulation is invariably attended by poverty and wretchedness.

Mr. Malthus's doctrine of rent enabled him, as it now does his followers, to account for the supposed inability of the earth to yield the necessary supplies of food. Adopted and brought into notice by Mr. Ricardo, by whose name it is now best known, it has been received as sound by the most distinguished political economists of our time, Messrs. Senior, M'Culloch, Mill, &c., and it is now the established doctrine of the science, *that the payment of rent is evidence of the constantly decreasing fertility of the soil, and increasing difficulty of obtaining food*; although it is admitted, that with the steady increase of rent there has been a constant improvement in the physical and moral condition of man. A necessary consequence is, that instead, as was formerly the case, of regarding the increase of population as advantageous to a nation, it is now deemed the reverse, and checks of all kinds, positive and preventive, are adopted to retard it. The great curse under which mankind labour, is deemed to be included in the words "increase and multiply," and the grand object to be attained is, by every species of re-

gulation, to relieve them from its influence.\* The great trade of population, heretofore unchecked, is placed under restriction, and writers of our time have deemed themselves worthily employed in indicating the means by which the animal desires might be gratified, while a compliance with the great command should be avoided. Thus matrimony is discouraged and profligacy promoted, by those who believe that they are thus obeying the laws of nature.

Men who have distinguished themselves as the advocates of a free trade in cottons and woollens, are now seen foremost in the cause of restriction and regulation, believing, apparently, that there is something in the formation of man that is erroneous, and that can be corrected by their suggestions. It might have occurred to them, that the same great power that devised the laws which govern our planetary system, also devised those under which man is produced; that the same power implanted in him the passions which tend to cause his reproduction; and that, had it been necessary to his happiness that it should be in the arithmetical ratio only, the object could have been accomplished by a process much more simple than starvation: that of diminishing his reproductive powers. They might have seen that although, in the system of the universe, there are slight perturbations constantly occurring, there is also established a system of compensations productive of the most perfect harmony, and doing so, they might well have doubted the correctness of their doctrine, and supposed the *apparent* discord to be "harmony not understood."

Looking only to the *effects* of their system, they might have doubted the possibility of such an one proceeding from an all-wise, all-powerful, and all-benevolent source. They might well have doubted if it were possible that the laws under which man-

\* Some of the writers most opposed to the Malthusian doctrines, fall into the same mistake. The only difference between them is in the remedy. With the writer of the following passage, the *panacea* is emigration. "How strikingly the leading distinction between the state of society on this and the other side of the Atlantic, is illustrated by that simple axiom, 'Population is Wealth,' which experience has established as '*a truism*' there, whilst *here* experience has as convincingly shown 'population' and 'poverty' to be synonymous."—*Quarterly Review*, October, 1835, p. 221, *Am. edit.*



kind exist, can be such as to require that each should prey upon his neighbour and live at his expense: that the interests of the landlord and his tenant—of the growers and consumers of corn—of the labourer and his employer—should be permanently opposed to each other.

We hope that we have satisfied our readers that when man does not undertake to apply the remedies—when he abstains from robbing and plundering his neighbours—the means of supply increase with the demand; that obedience to the command, “increase and multiply!” is not attended with the consequences that have been supposed; that increase of population is generally attended by a still more rapid increase of the means of support, and that when it is not so, it can be accounted for most readily, proving that the doctrine of Mr. Malthus is not a fair deduction from the facts he has adduced, and that it should no longer be allowed to influence the action of the people and governments of Europe. If so, he will be likewise satisfied that the present attempts to interfere with the growth of population cannot be otherwise than injurious; that the supposed contrariety of interests does not exist, and that the prosperity of the landholder and his tenant, of the grower and the consumer of corn, the labourer and his employer, may be attained by the same course of policy; and that the same harmony exists on earth, when the laws are properly understood, as has been ascertained to exist among the heavenly bodies. It may then be believed that the author of the system understood our wants better than we ourselves do; that what is most wanted is *to let the system work without human interference; to let every one consult his own interest in regard to the employment of his time, talent, and capital; to cultivate peace and harmony, avoiding all interference with the affairs of our neighbours, and establishing with them such an intercourse as to make it important to them to continue at peace, thus avoiding the expenses of war, and the waste of happiness attendant upon it; to diminish the cost of government as much as possible, and to leave to every man the disposal of the fruits of his labour.* When that time shall come, the lion and the lamb (or according to Mr. Ricardo, the land-owner and the tenant) may lie down together. The causes of war being done

away with, universal peace may exist, and the only contest be which nation shall make the most rapid advances in those arts which tend to promote happiness and enjoyment, and man may gradually prepare himself to occupy the position in the scale of creation for which he was intended, and from which he shuts himself out by perversely refusing to avail himself of the advantages of his situation.

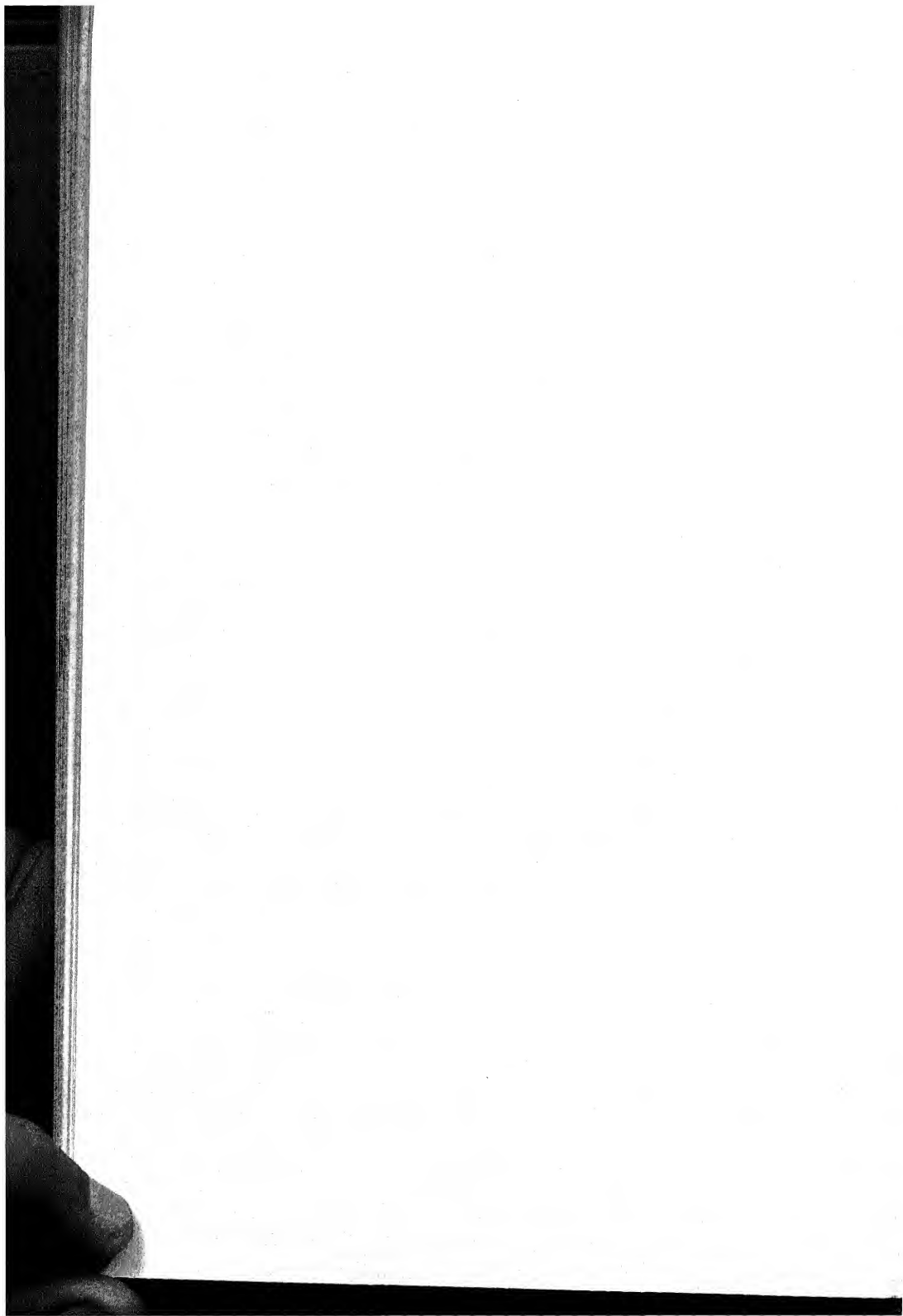
To this we can see but a single objection. The remedies for over-population will cease to exist. Peace and harmony—industry and economy—and a high state of moral feeling, must tend to promote a rapid increase of production, and men finding it every day more and more easy to support families, marriages will become throughout the world as common as in the United States. The consequence must be a rapid increase of population. The followers of Mr. Malthus will then, as now, predict that men will speedily be compelled to eat each other, unless they resort to the remedies, and commence making war, producing famines and pestilences. To this the reply will be then, as now—"So long as we used the remedies we were poor and miserable, but now that we have discontinued them, we find a constant improvement of condition, and we must continue in our course of peace and virtue, even though it should lead eventually to starvation. So long, however, as we find that with every increase of population there is an increase in the return to labour, we shall rest satisfied that there is no *immediate* necessity for becoming idle, intemperate, and profligate, with a view to increase the supply of food. It is *possible*, and highly probable, that at some future period the world may be fully, and perhaps over peopled, but we must leave it to our successors to adopt the remedies whenever they shall see cause to believe that they will thereby improve their condition."



PRINCIPLES  
OF  
POLITICAL ECONOMY.

PART THE FOURTH:

OF  
THE CAUSES WHICH RETARD  
IMPROVEMENT IN THE POLITICAL CONDITION OF MAN.



**PRINCIPLES**

OF

**POLITICAL ECONOMY.**

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PART THE FOURTH.

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CHAPTER I.

OF THE INFLUENCE OF WEALTH ON THE POLITICAL CONDITION OF MAN.

HAVING shown the causes of the differences in the MORAL and PHYSICAL condition of different portions of the human race, we propose now to show what are the causes which influence the POLITICAL condition of man. Before doing so we shall, however, inquire what it is that constitutes the difference between the highest and lowest political condition, that of the slave on the one hand, and that of the individual enjoying perfect freedom on the other.

The slave has no control over his actions. He cannot change his place of residence, nor can he determine in what manner his time shall be employed. He is liable to punishment at the will of his master. He knows not in what constitutes security of person. He has no control over the product of his labour. He cannot consume it without permission, nor may he exchange it. The whole is the property of his master, who allows him, in return for his exertion, such portion as he thinks proper. For him there is no security of property.

The man who enjoys perfect freedom, has entire control over his own actions. He may change his place of residence and his mode of employment at will. He is master of his own time, and accountable to none for the use he may make of it. He thinks for himself, and freely expresses his opinions. He enjoys personal security. He enjoys, also, entire control over the produce of his labour. He may consume it, or exchange it freely with those who have commodities that he desires to possess. He is responsible to none for the use he may make of it. He unites with his neighbours in the establishment of regulations for the maintenance of security of person and property, and for the punishment of those who may desire to lessen it, and he contributes equally with them his time, attention, labour, or property, for carrying those regulations into effect.

The difference between the freeman and the slave consists, then, in the different amount of control exercised by them over their own persons and their own property, the produce of their labour: in the extent to which they enjoy security in relation to both. The highest degree of security is, therefore, necessarily attendant upon the greatest freedom.

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Most writers appear to consider freedom as consisting in the establishment of certain *forms of government*, and thus it is usual to refer to certain periods in the histories of France and Spain, when powerful lords, and the representatives of a few cities, bearded the sovereign, as being those in which freedom existed, whereas at no time were the people at large less secure in the enjoyment of their rights of person and of property: at no time did the *spirit* of freedom less influence the operations of communities. The people were slaves and their rulers were tyrants, who robbed and plundered each other whenever opportunity offered. An alteration in the *form* of government is generally a consequence of a previous alteration of its *spirit*. Where self-government is complete, we find the people controlling the operations of the community through the medium of representatives elected by them, but a very high degree of freedom generally precedes the adoption of that particular system, and self-government may be almost complete under a monarchical form. In conducting the present inquiry we shall regard the

*spirit* only, without regard to name, or form, our object being to show what is the influence of increase or decrease in the return to labour upon the relative conditions of the various classes of society—how far the one or the other tends to augment or to diminish the control which the members of the community exercise over *their own* actions, and over the produce of *their own* labour—to augment or to diminish the powers of portions of the community to control the actions or property of *others*. Every approach to freedom is marked by the removal of some restriction upon personal action, or upon the disposition of property, and their abolition constitutes that improvement in *the spirit* of government, which leads inevitably to change of *form*, with a view to secure the permanence, and perhaps the extension, of the changes thus commenced.

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In the early stages of society, men are widely scattered over the land, and with difficulty obtain, by the cultivation of the superior soils, scanty supplies of indifferent food. Unable to draw near together, because of the difficulty of obtaining subsistence, they are unable to unite together for protection. Land is abundant, but food and clothing are scarce. Men are carried off and enslaved, and their property is confiscated. Security of person and property is unknown. No law is known but that of force. By degrees, as capital increases, they are enabled to obtain increased supplies from a diminished surface, owing to the facility with which they cultivate the inferior soils, and are thus enabled to live in closer connexion with each other. They now associate together for mutual assistance. Laws are instituted for the purpose of determining and securing the enjoyment of the rights of person and property. Their political condition is improved, in consequence of *union of action*, the result of an increase of population and capital. They are still, however, obliged to give a considerable *proportion* of their time for the defence of the community, and to contribute much of the proceeds of their labour for the support of those who are employed in the maintenance of security.

With the further increase of population and capital, we find different small communities establishing intercourse, and gradually associating with each other for the maintenance of peace and order.

When each small community was compelled to depend upon itself, every man was obliged to hold himself in readiness to bear arms; but the association of ten or twenty such communities, while securing internal peace, gives strength sufficient to secure



them in some measure against violence from abroad, and diminishes the *proportion* of the labour of each individual required for the public service. Increased security enables men to apply their labour more productively, and the diminution in the amount of contributions enables them to retain a larger *proportion* of the increased product. Population and capital continue to grow, producing a daily increasing tendency to union of action, rendering security more complete. The increasing facility of obtaining the means of support, is attended by an improvement of moral condition, and men are more disposed to respect the rights of their neighbours. The increased extent of the community, and the difference in the interests of the occupants of the extended territory now united in one system, render it more difficult to produce general excitement, the consequence of which is, that occurrences that would have led to war between the small communities, are peaceably arranged among larger ones.\* There is a constantly increasing tendency to peace abroad and at home. Instead of finding in each village a chief exercising the powers of government, and having under his control officers and soldiers, a single one performs the same service for the little state, the greater strength of which diminishes the necessity for employing men in carrying arms, and for interfering with the rights of the people, for the purpose of obtaining the means of paying them.

With improvement in the physical and moral condition of man, he becomes daily more and more aware of what those rights are, and more and more able to assert them, while those who are charged with the duties of government become daily more and more sensible of the necessity of avoiding interference with his exercise of them.

At a later period in the progress of society, as population becomes more dense, we find the disposition to union of action constantly increasing. Men are now associated in larger communities, or nations, and the numerous petty chiefs of earlier times are replaced by a single officer, termed king, emperor, or president. Peace and free intercourse now prevail throughout large masses. The consciousness of strength diminishes still further the necessity for maintaining armies, and for raising taxes for their support. Internal peace and diminished taxation enable men to increas

\* The recent disturbances on the borders of Maine, and of Canada, are evidences of the correctness of this view. Had Maine and New Brunswick stood alone, a war was inevitable; but fortunately both constituted portions of large empires, not influenced by the hostile feeling so common among borderers.

their capital, and to apply their powers still more productively, while the diminishing wants of the government require a constantly diminishing proportion of that product,\* leaving a constantly increasing proportion to be divided between the capitalist and the labourer.

There is a daily diminution in the necessity for interfering with the enjoyment of perfect security of person and property, and a daily increase of the productive power, arising out of the tendency to united action, that is the natural consequence of increased wealth.† Man passes gradually from a state of slavery to that of

\* See vol. ii., p. 110, *ante*.

† The effect of combined action in relation to government, resembles exactly that which is observed in relation to manufactures and to production generally. In India each weaver works by himself—he purchases at a high price, on credit, the materials with which he is to work, and the provisions required for his support, and he sells the product at a price not exceeding one-third of its market value.—(See vol. ii., p. 289.) Here is no combination of action—no division of labour. The whole work is to be performed by the single individual, and the time that might be employed in finishing the finest muslins, is wasted upon various processes requiring inferior ability, from the purchase of the cotton to its final sale. In like manner, when men live apart from each other, each individual is obliged to provide for his own safety. He goes to his field armed, and is compelled to limit his excursions, because of the necessity of providing for the safety of his wife and children. He purchases security at great cost of labour, because compelled to unite in himself the duties of soldier and farmer, and the consequence is that his labour is unproductive.

In France, where capital has been allowed to accumulate to a small extent, the owner of three or four looms employs workmen, and demands one-half for their use.—(See vol. ii., p. 144.) There is some tendency to combined action, and the consequence is that one individual acts as superintendent of the operations of three or four workmen, purchasing the raw materials and selling the product. This increase of capital enables the latter to retain a larger proportion of the produce of their labour. In like manner, as population extends, we find men associating themselves in small communities and appointing a few individuals to attend to the safety of themselves and families. This combination of action produces division of labour, with advantage to all parties, as the labourer in the fields may now walk abroad without fear for himself, his wife, or his children. A diminished *proportion* of the people here provide for the security of the little community, as, in the case of the manufacturers, a diminished *proportion* is employed in superintending the operations not immediately connected with the loom. Security is purchased at diminished cost.

At another period we find a single person superintending the operations of 1000 or 1500 spinners or weavers, as in England and the United States, and the workmen retaining five-sixths, or nine-tenths of the product of their labour, and that product greatly increased by combined action. So in large communities, a few hundred, or a few thousand persons, constituting a small *proportion* of the whole number, are sufficient to maintain security far more perfectly than could be done when one-half of the labour of each individual was devoted to the endeavour, often ineffectual, to provide for the safety of himself and family.

perfect freedom, exercising full and uncontrolled power over his own actions and thoughts, over the employment of his time, and over the proceeds of his labour, while abstaining from interference with the exercise of similar rights by his neighbours. Free and secure himself, and obtaining by his own exertions the means of improving his own condition, he is desirous of aiding his neighbours to do the same, and ready to unite with them in repelling any assaults to which they may be subjected, rather than to attempt himself to lessen their enjoyment of the rights of person and property. Thus—

Increase of wealth, by enabling men to cultivate the inferior soils, also enables them to draw nearer together, and to associate for the maintenance of peace and for securing each other in the enjoyment of the rights of person and property, thus improving their political condition. Peace and security tend to promote the growth of wealth, and the further improvement of the physical, moral, and political condition of man.

On the other hand—

Decrease of wealth, by diminishing the power of obtaining the means of subsistence, compels men to disperse themselves over the land; prevents them from associating for the maintenance of peace and security, and thus deteriorates their political condition. Insecurity and war tend to diminish the growth of wealth, and to deteriorate the physical, moral, and political condition of man.

The most perfect freedom of thought and of action tends to produce the most rapid increase of the power of producing wealth, and the most rapid increase of the productive power tends to establish the most perfect freedom.

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Casting our eyes over the earth, we observe the various communities differing widely in political condition, and those differences having apparently little connexion with the density of population. Thus freedom is unknown in South America, in Mexico, and in Russia, where population is widely scattered, while enjoyed in the United States, where population is but little more dense; and but little known in France, and in Germany, where it is dense, while enjoyed in England where the proportion of population to land is still greater, and it is unknown in Bengal where that proportion is greatest.

When, however, we compare these several nations with themselves, at different periods, we find uniformly that as population and capital increase, slavery and restrictions of all kinds pass

gradually away, enabling the people to acquire political rights and influence. The moral and physical condition of *the few* is constantly improving; their political condition, so far as regards the exercise of power over *their own actions and their own property*, is unimpaired; but there is a daily diminution in their power to control *the actions of others*, or to direct the application of the product of their labour. The relative position of the two parties is constantly changing.

In every nation in which has existed security of person and of property, tending to enable its members to employ their labour productively, there has been a steady diminution in the proportion of those exercising power over their fellow men, and in the amount of power exercised, accompanied by a constant increase in the control exercised by the whole body of the people over their own actions, and over the movements of the government. Thus in England, from the time of the Conquest, we find a constantly increasing tendency to united action, the various nations by which the island was occupied gradually becoming one, and with the progress of union we find the people gradually becoming more and more free, while the barons of olden time, exercising the right of life and death, and holding their own courts for the trial of their vassals, are replaced by men whose fortunes are due to the exertion of talent applied to the law, or to commerce, either by themselves or by their ancestors of comparatively recent times. In Scotland, and particularly in the Highlands, the change of the last century has been remarkable. In Germany, the existence of a similar tendency is most strikingly shown. The petty princes of that country, so recently holding courts and maintaining armies, are reduced to the rank of Prussian or Austrian princes and barons. Men associate for the purposes of maintaining government, in larger masses than in past times; the number of persons exercising power is diminished; and the people are daily exercising more and more the right of self-government, and are more and more influencing the action of the community. The same tendency is most strikingly displayed in the recent commercial league, by which the power of numerous sovereigns to interfere with the exchanges of their subjects, is now vested in the hands of the King of Prussia, and at once a host of subordinate officers, each the agent of some petty prince, is dismissed, and the people exercise the right, heretofore unknown to them, of exchanging their products freely with each other. In countries in which security has not existed, and in which unceasing wars have not only prevent-

ed the accumulation of capital, but have destroyed that which previously existed, and thus diminished the productive power, as was the case for so long a period in India, the tendency to combined action has been constantly diminishing, and the number of persons exercising power over their fellow men has been as constantly increasing, until at length the people have been reduced to a condition almost of slavery.\*

It is sufficiently obvious that increased wealth has tended to give to *the many*, power to demand equality of political rights, but the *modus operandi* is yet to be shown. Like all other of the operations of nature, it will be found exceedingly simple, and the power with which she acts in this case, will be seen to be, as in all others, in the direct ratio of the simplicity of the means employed.

Our readers have seen that with every increase in the ratio of capital to population, there is an increase in the value of labour as compared with capital, and an increased competition on the part of the owners of the latter for the employment of labourers, the consequence of which is that with every such increase the labourer is enabled to retain an *increased proportion* of the commodities he produces, leaving to the landlord, or other capitalist, a constantly *decreasing proportion*: and, *vice versa*, that with every diminution in the ratio of capital to population, the proportion of the landlord increases, and that of the labourer falls, producing in the one case a constantly increasing tendency to equality of physical condition, and in the other to inequality. We propose now to show how the change in the mode of distribution that thus takes place, influences the political condition of both parties, enabling the labourer gradually to exercise the same control over his actions that is exercised by the capitalist over his property.

Land being the source from which all wealth must be derived, it is, at an early period of society, appropriated by those whose physical or intellectual powers enable them to obtain the mastery over portions of their fellow men, who are compelled to cultivate the portions assigned to them, receiving in return such allowance of food and clothing as may be awarded to them. The few are masters, and the many are slaves.

In this stage of society, population is widely scattered, and there is no capital in the form of roads or canals by which men are enabled to perform exchanges, or even to meet together for the promotion of any object tending to improve their condition.

\* See vol. ii., pp. 52 and 98.

The implements employed in agriculture are of the rudest kind, enabling the cultivator merely to scratch the earth, and limiting him to the cultivation of the superior soil only; the consequence of which is that the return to labour is insignificant. The land-lord takes a large *proportion*, but the *quantity* is trifling. The labourer retains for himself *a small proportion of an exceedingly small quantity*, and is barely enabled to support life. The return to labour being thus small, he is always ready to invade the property of his neighbours, and to unite his powers with those of his fellow slaves in enabling his master to increase his possessions, at the expense of others who have in like manner appropriated lands and stocked them with slaves. He looks to the favour of his master for reward, and as that is to be obtained by military service alone, his children are instructed in the love of arms, and are taught to hold in contempt the dull pursuits of civil life. Land is held by the sword, and *its value is nothing*, although the owner receives, as rent, two-thirds, or perhaps three-fourths of the whole product.

In a community in which there are 200 persons capable of full work, and in which the return to labour is equal to 100 bushels per hand, if 100 be employed in agriculture, the amount of production will be

- - - - -	10,000
The proprietor takes two-thirds, - - - - -	6,667

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3,333

leaving the balance to be divided amongst the producers, and each obtains 33 bushels as the return to a year's labour.

The chief having 6667 bushels, may employ as his body-guard the remaining 100 men, paying each of them full wages, and retaining for himself and his family 3333 bushels, or as much as is consumed by the whole body of agriculturists. Having this large quantity to divide, he is the source of wealth and power, and those who live by his bounty—those whose occupation is arms—are always ready to aid him in retaining in slavery the unfortunate beings subject to his power, who are compelled to labour for the support of himself and his guards.

The state of things here described existed throughout a large portion of Europe a few centuries since. It is now to be found in Africa, and parts of Asia.\*

\* In his recent travels, Mr. Fraser gives a fact that is strongly illustrative of the gradual progress of society from barbarism to civilization. In a review of that

At a later period of society, with the gradual increase of population, men are enabled to apply their labour more productively, and capital accumulates. The landlord is enabled to live more luxuriously, and to increase the rewards of his officers and soldiers. There is now an increased demand for clothing and other commodities, and to meet these wants mechanics and tradesmen are required, and they assemble together in villages. The habit of united action thus acquired, gives them power to assert their claims to freedom of action, and they are ready to defend them. Capital increases, and they become competitors with the land-owner for the employment of labourers. This competition tends to increase the *proportion* granted to the labourer, at the same time that improvements in the mechanic arts, and in the mode of cultivation, enable him to obtain a larger *quantity* from the same or a diminished surface, and enable the landlord to dispense with the services of a portion of his tenants. The *proportion* of agriculturists is constantly diminishing.

We now find a population of 400 persons capable of producing 150 bushels per annum, and the producer retaining as his share one-half, or 75 bushels. If, as in the former case, only one-half were productively employed, while the remaining half were carrying

work, in the London Spectator of March 21, 1840, it is stated "that a very curious transition is going on amongst the Arabs of Mesopotamia, from absolute freedom into a state of serfdom, or at least of castes. A population limited in its range by the encroachment of other tribes, and a falling off in the profits of robbery from the monopoly getting into the possession of other and stronger hands, have compelled a recourse to agriculture. But who," says the reviewer, "amongst the free rovers of the desert, was to exchange his spear for the ploughshare, and condescend to till the earth? No one who had power or means to avert the degradation. It fell, as a matter of course, upon the poor and needy; and though the powerful states which threaten these countries, together with the growing influence of commerce, may change the nature of the transition, yet it is easy enough to see how, if uninfluenced by foreign circumstances, an increased population, a growing necessity for agricultural produce, and a growing demand for slaves, should at last terminate in regular serfdom and lordship, with the leading outlines of the feudal system."

These men are forced into production by the increase of population among their neighbours, who are thus enabled, by united action, to defend themselves, their wives, their children, and their property, and those who lived by plundering them are obliged to convert their spears and their muskets into implements of agriculture. Should this state of things continue, wealth will begin to accumulate, and there will be a gradual improvement in the condition of all parties. Increase of population will be attended by "a growing necessity for agricultural produce," and a more rapid increase in the means of supplying the demand, and will terminate not in "serfdom," but in the establishment of perfect control over their own actions and their own property, while the land, now worthless, will acquire value.

arms, the wages of the latter would absorb the whole income, leaving nothing to the owner of the land for the supply of his own wants and the gratification of his tastes. In this state of things it is absolutely necessary that the proportion of soldiers be diminished, and with it the power of the chief to enforce his commands.

Let us now suppose 70 per cent., or 280 persons employed,

yielding each 150 bushels, or their equivalent in other commodities, - - - - -	42,000
The producers take half, - - - - -	21,000
	<hr/>
	21,000
The wages of 120 persons, at 75 bushels, require -	9,000
	<hr/>
Leaving for the landlord, or chief, - - - - -	12,000

The physical condition of all parties is improved by increase in the quantity of commodities now at their command. The moral condition of all is improved by the increase in the tendency to labour and the diminution in the disposition to live by plunder. The political condition of all is improved by a diminution in the power of the landholder over his tenants, and an increase in their power to exercise control over the application of their labour, and over its fruits.

At a later period of society, we find the competition of capital employed in manufactures and the mechanic arts so great, that the landlord, instead of being the only employer—the only source of wealth and power—gives employment to only one-third of the population. With the constant increase of population and capital that has accompanied this change, there has been a steady increase in the return to labour. We now find 1000 labourers, of whom 95 per cent. are employed in production, and the return to their labour is equal to 200 bushels per hand, - - - 200,000

The capitalist takes one-fifth, - - - - -	40,000
	<hr/>
Wages are equal to 160 bushels per hand, and the fifty now employed in maintaining the security of person and property, cost - - - - -	8,000

Equality of rights being now established, and all now having property to be preserved, all contribute towards the maintenance of order. Nearly the whole population being now employed in the production of commodities for exchange, their interests are



directly opposed to all measures tending to impede the performance of exchanges. They desire peace and free-trade, and their numbers and influence are sufficient to enable them to control the action of the community, in opposition to the few who might deem their interests likely to be promoted by war and restriction. Every increase of wealth, with its accompanying improvement of political condition, tends therefore to the maintenance of peace, and peace enables men to apply their labour productively, accumulating further wealth.

The whole share of the capitalists, whether proprietors of land or of other machinery of production, is equivalent to the wages of 250 persons, or one-fourth of the population, whereas in the outset it was equal to the wages of the whole number. If they desired to enforce regulations tending to the injury of their tenants, they could in the first period employ one-half of the whole number in keeping the others in order, and could enforce obedience, whereas in the other their power is so small that they are obliged to substitute reason for force.

The change that has thus taken place has tended to the establishment of equality, as well as general improvement, of condition. The labourer rising from 33 bushels to 160, is enabled to enjoy many comforts and conveniences that at an earlier period could not be obtained by the master, and the whole style of living is improved. New wants arise, and the land-owner finds that he will most promote his enjoyments by diminishing the number of his followers, or servants, leaving them to apply their labour in such manner as will tend to increase production, and enable him to obtain books, pictures, and statues with the money that would otherwise have been paid in wages. Thus, with a constant increase of the quantity of commodities yielded by his land, he finds so rapid an increase in the demands upon him, and—with the still more rapid increase in the quantity divided among the labourers, and those who employ intellectual capital—so great a tendency to approximation of condition, that it becomes every day more and more *necessary* for him to diminish the number of unproductive persons retained about his person, either as servants or soldiers. Such has been the course of things for the last century in the Highlands of Scotland. The chieftains of 1715 and 1745 had always ready for the field a large body of followers, while obliged to dispense with many articles that are now deemed necessities by all classes. With every increase in the capital of that country, there has been a tendency to diminution of soldiers,

and to an increase in the quantity of labour productively employed, and with these changes there has been an entire change in the political condition of both master and labourer.

The change thus produced is attended with an equal one in the pursuits of the landed proprietor. Receiving in return for the mere use of capital a constantly decreasing *proportion*, although a constantly increasing *quantity*, he finds it daily more and more necessary to apply his talents in aid thereof. The increased tendency to the maintenance of peace induces him to seek profit or distinction in agriculture, science, and art. He can no longer add to his revenue by the use of the sword, and he must avail himself of his mind. His children find the same necessity, and hence arises a community of feeling among the higher and lower classes of society, tending to produce equality of political rights, even did not the same circumstance tend to give to the labouring class the power to enforce their claims thereto.\*

When a year's exertion could yield to the labourer only 33 bushels of wheat, he could hardly support existence. When the same labour yielded him 75, he could obtain tolerable food, clothing, and lodging. When, with the increase of capital and population, he is enabled to produce 200 bushels, of which the land-owner takes one-fifth, or 40, leaving him 160, he is enabled to obtain good food, clothing, lodging, and education, improving his physical and moral condition, while he is accumulating capital. He becomes daily more and more conscious that he has rights, and daily more capable of asserting them.

In the first instance, it would probably have required the economy of 10 years to enable him to accumulate a capital of 50 bushels of wheat. In the last he may expend 130, and lay by 30 in every year, and he may in a very few years become owner of a capital equal to that for the use of which, in the first instance, he

\* Since the above was written, we have read Captain Marryatt's Letter on the British and American Marines, in which he shows the necessity for raising the wages of seamen in the British navy to £4, in the event of a war between the two countries. Nothing can tend more to the preservation of peace than an increase in the difficulty of making war, by an increase in the labourer's proportion, manifested by a rise of wages.

Whenever the people of France can acquire sufficient control over their own actions to enable them to refuse to carry arms, or to make war, unless paid by those who employ them the full value of their time, as if they worked for individuals, that country will be compelled to maintain peace, because of the cost of making war. It is greatly to be desired that the period should soon arrive when the war-like propensities of their chiefs should thus be curbed.

would have given one-half of the product of his labour. In the first, he would be entirely dependent on the owner of land, whereas, in the last, he would feel capable of asserting his right of thinking and acting for himself. The land-owner's revenue is doubled in *amount*, but diminished in *proportion*. With every diminution of proportion his land acquires new value, because he has an increased *quantity*, the product of further capital applied to the improvement of his land, in erecting houses or barns, and in making roads or canals. Improvement in the condition of the people is the necessary attendant upon every permanent increase in the exchangeable value of landed property, the owners of which are therefore directly interested in the adoption of measures tending to give to the many perfect security of person and property.

The product of Great Britain is now estimated at £260,000,000, of which one-fourth goes to the capitalist, leaving probably £195,000,000 to be divided among the labourers. The net reward of *personal service*, after deducting taxes, we have estimated at £9 10s. per head.\* Were the production of 1830 divided as was that of 1680 or 1700, the capitalists would divide among themselves £130,000,000, leaving a similar quantity for the reward of personal service, giving about £6 6s. 8d. per head, for all classes, including lawyers and physicians, bankers and engineers, as well as labourers. The few would have at their command all the luxuries that the earth could produce, while the many would be reduced to a state of misery and wretchedness. The former would be able, as in the middle ages, to command the services of troops of men, dependent upon their will for the means of subsistence, and ready to execute whatever commands they might receive. They would enjoy power to control the actions and to confiscate the property of the people, whereas, under the present distribution, we see a constant tendency to an increase in the power of the *latter* to assert their rights, and to compel an observance of them by the former.

We now submit the following propositions:

I. That increase in the power of producing wealth is attended by an increase in the labourer's *proportion*, and by general improvement of physical, moral, and intellectual condition.

II. That it is attended by a diminution in the *proportion* of the owner of landed or other capital, and consequently by a diminution of his power of commanding the services of labourers.

\* Vol. ii, p. 377.

III. That the labourer becomes daily more and more sensible of his own rights, and more and more capable of enforcing attention to them, while, with the improvement of his moral condition, he becomes daily more disposed to respect the rights of his neighbours, and to unite with them in the maintenance of tranquillity and good order.

IV. That with the improved moral condition of the owner of landed or other capital, there is an increasing disposition as well as increasing necessity for regarding the rights of others, and he is daily more and more disposed to unite with his tenants and neighbours in the endeavour to maintain order and tranquillity, to disseminate information, to increase production, and to improve the physical and moral condition of those around him.

V. That with every increase of the productive power, there is therefore a tendency to the establishment of political equality, and of that *union of action* which tends to the maintenance of peace and security at home and abroad—to the establishment of entire freedom as regards the control by individuals over *their own* actions and *their own* property—and to the abolition of restrictions upon the action and property of *others*—all tending to the further improvement of the moral, physical, and political condition of man.

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VI. That decrease in the power of production is attended by decrease in the labourer's *proportion*, and deterioration of his physical and moral condition.

VII. That it is attended by increase in the proportion that can be claimed by the owner of landed or other capital, and by an increase in his power of commanding the service of labourers.

VIII. That the labourer gradually forgets that he had ever possessed rights, and becomes gradually less capable of enforcing them, while with the deterioration of his moral condition he becomes daily less disposed to respect those of his neighbours, and more and more disposed to plunder and murder them.

IX. That the moral condition of the owner of landed capital becomes gradually deteriorated, and the disposition to regard the rights of others diminishes with the diminishing necessity therefor, and he is daily more and more disposed to trample upon his tenants, and to wrench from them an increasing proportion of the produce of their labour, and still further to deteriorate their physical and moral condition.

X. That with every diminution of productive power there is therefore a tendency to the increase of political inequality—to that

discord and disunion which lead to war and insecurity, at home and abroad—and to the increase of restrictions upon action and upon trade—all tending to the further deterioration of the moral, physical, and political condition of man.

We shall now proceed to an examination of the course of some of the principal nations of the world, ancient and modern, with a view to ascertain how far experience tends to prove the correctness of our doctrine, that with peace there is an increase of wealth and improvement in the political condition of man, while war tends uniformly, by the destruction of wealth, to produce a deterioration of political condition. If the views we have submitted be borne out by the facts which such a review will afford, it will be evident to the reader that nothing is wanting to establish throughout the world the right of self-government, but the abolition of wars, permitting men to apply to the improvement of their own condition that labour and capital which, heretofore, has been to so great an extent applied to produce deterioration of the condition of others.

## CHAPTER II.

## OF THE INFLUENCE OF WEALTH ON THE POLITICAL CONDITION OF THE PEOPLE OF GREECE AND OF ROME.

IN the early periods of Grecian history, we find the people of Attica divided into several small and independent communities, which were at length united under Theseus, and Athens became the capital of the kingdom. The numerous small communities of Bœotia became in like manner united under Thebes, and the twenty smaller states of Phocis associated to send deputies to a general congress. The same tendency to combination of action thus exhibited in the various states, was shown in relation to the affairs of Greece at large, at an early period, in their union for the purpose of carrying on the war against Troy, and in the institution of the Amphictyonic league, the Olympic and other games.

With the union of the people of Attica under a single government, we find a gradual tendency to the establishment of free institutions. The single archon, originally chosen for life, was first substituted for the king, and then exchanged for ten archons, holding office for a single year. The right of suffrage appears to have been limited to a certain class, to whom the officers were responsible.

For a long period the history of Athens is almost a blank, marked only by these various changes in the form of government. That it is so, is evidence of its peaceful policy. We know little of its connexions with other states, except that with its immediate neighbours, Megara and Eubœa, for a considerable period, there was established a sort of union, and although wars did occur, peace was the habitual and regular condition of their mutual intercourse,\* while the history of Sparta, rendered remarkable by its frequent wars with its neighbours, is well known to us.

\* Thirlwall's Greece, vol. i., p. 373.

This peaceful policy, the proximity of Athens to the Ionian cities, then rapidly advancing in civilization, its facilities for intercourse with them, and the identity of the people, warrant us in believing that in no part of Greece was there so rapid an improvement in the condition, moral and physical, of the people. We are, it is true, told of the abject dependence\* to which the agricultural labourers had been reduced, and of the high rate of interest at which the smaller proprietors were compelled to borrow money upon mortgage of their property, but the very fact that these people could make their complaints heard, is evidence of the improvement of their condition. We hear loud complaints of the corn-laws of England, while the people of India submit in silence to oppressions, the tithe of which would outweigh those of corn-laws, and excise-laws, tithes and church-rates. We know that prior to the time of Solon the men who subsisted by trade and by employment in the mechanic arts already constituted an affluent and intelligent body, and that the proprietors of the more elevated portions of the territory, on the north and east, were an independent class, not liable to the oppression under which the agricultural population of the lowlands are said to have groaned. In a country so small as Attica, it is difficult to believe that there could have been any great difference of condition between the free labourers on the land, the free people of the coast, engaged in trade or commerce, and the free artisan.

If we desired any other evidence of the improvement of the general condition, it would be found in the fact, that those who had exercised power found themselves under a necessity for dividing it with the people. Under the legislation of Solon, we find the whole body of citizens exercising the right of voting in the popular assemblies. It is true that, as yet, they were not all eligible to the high offices of state; but, on the other hand, *they were not liable to taxation* for the support of government. The first class, eligible to the highest offices, were taxed accordingly, while the fourth class, excluded from the magistracy, and from the other *rights* of a full-armed warrior, were exempt

\* Thirlwall's Greece, vol. ii., p. 31.

from the *duties* incident thereto, and from all direct contributions. The magistrates were responsible to the people.

During the subsequent eighty years, we find the Athenians in the enjoyment of almost perpetual peace, attended with a constant improvement of condition. For a considerable portion of this time, the government was administered by Pisistratus and his sons, but the people retained not only the form of election, but the influence which tended to prevent the adoption of measures that might be injurious to their interests. The expulsion of Hippias was followed by an alteration in the constitution, proving the constantly increasing influence of the people, resulting from the rapid increase of wealth and the general improvement of condition that had followed the adoption of freer institutions. Attica was divided into 100 townships, each having its local assembly and its magistrates for the regulation of its local concerns: the constituency was increased by the admission of aliens, and many slaves were emancipated: and the vote by ballot was introduced.

Here we find the increase of wealth attended by a steady increase in the power of the many, and equally steady diminution in that of the few. We find the people in the smaller assemblies managing their local concerns, leaving to the general council the management only of those in which the whole community was interested. The institution of slavery still existed, but among the free people of Athens the system of self-government was in full operation, accompanied by a near approach to perfect equality of political rights and duties. The rapid advance in wealth and the rapid increase in the power of the people, unfortunately, excited the jealousy of their less wealthy countrymen, whose institutions were less popular, and accordingly we find Sparta and Thebes uniting in an unsuccessful attempt to compel the restoration of the Pisistratidæ. Not only was it unsuccessful, but the Athenians were enabled to extend their territory by taking possession of the estates of the landowners of Chalcidice, which were divided among a large body of colonists, a result not unlikely to stimulate them to future wars, to be waged for the sake of the plunder that might be acquired.



With the exception of a dispute with the Æginetans, and the fitting out of a fleet of twenty vessels, to assist the Ionian colonies against the King of Persia, the Athenians appear to have enjoyed peace, attended with a constant increase of wealth, until the invasion of their territory which was terminated by the battle of Marathon. Immediately thereafter we find them applying the produce of the mines, which had always been distributed among the citizens, to the increase of the navy, thus diminishing the tendency to accumulation of wealth. Peace prevailed during the following ten years, at the expiration of which Attica was occupied by the troops of Xerxes, who spread havoc and desolation throughout the whole territory, and finally destroyed the city by fire. With the exception of the small amount that was saved on board of the fleet, all the accumulations of centuries were thus destroyed.

From this time we find a change in the policy of the Athenians, produced by this change in their condition. Deprived of the capital by the aid of which they supported themselves as peaceful artisans, or agriculturists, we find them henceforth chiefly employed in the trade of war, and extorting from their allies or subjects, in the form of tribute, the means of lavish expenditure. From a peaceful democracy, *governing themselves*, they become an oligarchy, *governing others*, and with a severity proportioned to the number of masters. From this time we find a constantly increasing difference in the condition of the few and the many, the former distributing their bounty, and the latter greedily accepting it. With this change of physical condition, we find a corresponding change of moral condition.

By extortion of every description, Themistocles accumulates a large fortune, much of which he distributes among the people of the poorer classes. Cimon, enriched by plunder, throws open his gardens, and distributes money and clothing. He walks abroad, attended by a numerous train of followers, who from industrious labourers become indolent paupers, dependent on the bounty of individuals. With every step downward there is increased facility in accomplishing the next one. The thirst for plunder renders it easy to find men to fill the army and to man the ships, and the plunder itself furnishes the means of

support. Naxos is reduced to subjection, the first of the free states. The Phœnician fleet next furnishes a vast amount of booty. The allies are induced to compound for personal service by the payment of money, and now the greatest part of the people of Athens are maintained in the service of the state. War is carried on in Egypt, and in the Peloponnesus, while Megara is defended by one body of Athenians, and Ægina besieged by another. The public treasures are removed to Athens. The tribute is increased. A tax of 5 per cent. upon the imports and exports of all the allies, including 1000 towns and cities, is levied. The duties are farmed out, and the collectors add to their weight for the increase of their own fortunes. The allies, or subjects, are compelled to resort to the Athenian courts of law for the settlement of all differences, when the amount in question exceeds a certain very small sum, and for the trial of all capital offences. Justice is obtained with difficulty. The affluent citizen of the subject states, as well as aliens resident in Athens, are subject to constant risk of their property, and even the states themselves find it necessary to purchase protection against the oppressive demands of the sovereign city. The treasure thus accumulated is expended for purposes purely Athenian. Temples are built, and the city is rapidly improved. Theatres are erected, at which the Athenian is entertained gratuitously, while the allies or subjects, at whose expense they are maintained, are obliged to pay for admittance. The right of an Athenian to be maintained by the labour of others renders citizenship valuable, and an inquiry is instituted which results in the rejection of 5000 persons who had claimed to be citizens, all of whom are said to have been sold as slaves. Notwithstanding this reduction of their numbers, the indigent abound, and it becomes necessary to send out large colonies. Large squadrons are kept afloat, and great public works are undertaken, with a view to find employment at the public expense for those who would otherwise be idle. The people are now paid out of the public purse for attendance at the popular assemblies, and the condition of a large portion of them may be inferred from the fact that an obolus, equal to  $1\frac{1}{2}$ d. sterling, or 3 cents, was an object of desire. Plato introduces Socrates

saying, "I hear that Pericles made the Athenians a lazy, cowardly, talkative, and money-loving people, by accustoming them to receive wages"—for attending to the business of *governing others*.

The thirst for dominion displayed by Athens naturally alarmed the other powers of Greece, and excited them to measures tending to restrain it. Hence arose the Peloponnesian war, which commenced at a time when the allies were provoked and alienated by the expenditure of the public treasure for the aggrandizement of Athens and the gratification of her citizens, who had, in fact, become their masters. Attica was ravaged by the Spartans and their allies, and its whole population driven into the city, and a large portion of it reduced to beggary. A natural consequence was, increased facility of obtaining soldiers, and thus we find, at a single moment, on foot 13,000 heavy-armed *citizens*, to support whom extraordinary taxes are resorted to and contributions are levied on friends and foes. The allies now endeavour to detach themselves from their connexion with the Athenians, but find that they are claimed as *subjects*. Unsuccessful attempts at Mytilene and other places, to throw off the yoke, are followed by orders to exterminate the males, to sell the women and children as prisoners, and to confiscate the property for the use of the governing power. The change that has taken place in the tone of morals, is fully exemplified by the savage atrocity with which this war is carried on. A thousand prisoners taken at Mytilene, and transported to Athens, are there put to death in cold blood.

Those who have in past times accumulated property, find themselves now ground to the earth by exactions for the support of the war, and the class that depend upon payments from the public treasury is daily increasing. Those who can display munificence and liberality are the leaders, Nicias and Alcibiades, *through whose hands pass the contributions of the allies*, which are doubled by the latter. The necessity for plunder increases with the supply, and every attempt to escape from the yoke is punished with increased severity. The Melians are exterminated. At length we find a

general revolt of the allies, unable longer to endure the oppressions of their masters. Repeated changes take place in the form of government, until at length the war is closed by Athens herself passing under the yoke of 30 tyrants, appointed by Sparta. Poverty is extreme. Private property is confiscated for the public use. Massacres take place. Corruption and bribery reign triumphant. Gross vices become so common, that they are scarcely thought to need concealment. *The salary of the people for attendance on public meetings is tripled.*

The states of Greece having now exhausted themselves by successive wars, find themselves compelled to make peace, on terms dictated by Persia. The ambition of Sparta and Thebes continues the disturbed state of Greece. Licentiousness and dissipation prevail everywhere. The towns are plundered by freebooters. Athens, desirous of regaining dominion, engages large bodies of mercenary troops. Her allies are plundered for their support. Military command is coveted as the road to fortune, and the fortunes thus acquired are expended in bribing the people for their votes. The new oppressions of her allies produce the Social war, which is carried on as before, by exterminating the males, selling the women and children as slaves, confiscating the property, and placing Athenian settlers in the room of the old occupants. Exhausted by these repeated attempts at enslaving others, Athens at length passes under the dominion of Macedon.

Here we find wealth obtained by honest industry, through a long course of peace, producing a constant increase of the productive power, a constant improvement of moral and physical condition, and a steady approach to equality in physical, moral, and political condition. The ravages of the Persian armies, the total destruction of the wealth that had been acquired, and the unfortunate appetite for glory and plunder then produced, converted the people into warriors, and led them from governing themselves to undertake governing others. Wealth thus acquired produces a different effect. With its increase we find a constant diminution of the productive power—a constant deterioration of moral, physical, and political condition—and a constantly increasing inequality therein. While Pericles and Alcibiades lavish fortunes, the mass of the people gladly re-

ceive 3 cents ( $1\frac{1}{2}d.$  sterling) for their attendance at public meetings. Poor-laws are instituted, and distant colonies are planted, for the purpose of relieving the community from the necessity of supporting paupers at home. Deprived at length of the power of taxing their neighbours for the purpose of enabling them to indulge in idleness and dissipation, they turn upon their own citizens who have been so fortunate as to accumulate property, increasing their taxes, or taking from them by force, at the same time that they increase their own rewards by trebling the wages of attendance upon public meetings, which are numerous in proportion to the wants of those who are to receive wages. Security of person and property is at an end. Those who have property desire a change of government, with the hope that it may produce an amelioration of their condition, and those who have not are ready to sell themselves to the highest bidder, and thus the state falls a prey to the first invader.

It is usual to speak of Athens as a democracy, but in a democracy men govern *themselves* only, and all enjoy equal rights. Such was not the case in Athens. Every citizen of London exercises the right of voting for aldermen, and every citizen is eligible to the highest office of the city; yet London is a corporation, the members of which enjoy privileges denied to others, and is no more entitled to be called a democracy than is the House of Lords. Let us suppose, however, that the citizens of London, by treaty, or by force of arms, had obtained power to compel every part of England to contribute to the public treasury, and that it exercised the right of expending the money so contributed in ornamenting the city, by building palaces, and temples, and theatres—that all places of public amusement were opened gratuitously to them, while all other persons were compelled to pay for admission—that they required to be paid whenever they attended public meetings—that large sums were expended in maintaining armies and fleets to compel obedience on the part of their allies and subjects—that the courts of justice were transferred to London, and that all suitors were compelled to resort thither, and that Liverpool, and Birmingham, and Manchester, were compelled to bribe the chief people to obtain justice—and then see what we should style such a govern-

ment. No man would venture to call it a democracy. THE GREAT DEMOCRATIC PRINCIPLE IS, THAT EVERY MAN SHALL BE SECURED IN THE ENJOYMENT OF HIS RIGHTS OF PERSON AND PROPERTY, AND SHALL CONTRIBUTE FOR THE MAINTENANCE OF SECURITY IN THE RATIO OF HIS INTEREST. That principle was nearly established under Clisthenes, but it was forgotten when Athens undertook to be a ruler over others. It became then an aristocracy, ruling over unwilling subjects.

Were London now to establish such a power as that we have supposed, we should speedily see the same corruption of morals that was witnessed in Athens. Idleness and licentiousness would take the place of industry and morality. The money received from the public treasury would be squandered, and each day would make it necessary to increase the amount of tribute. The right of being supported out of the contributions of others would be regarded as a privilege valuable in the inverse ratio of the number of persons who were to enjoy it. The difficulties of obtaining those privileges, or the right of citizenship, would be increased. Foreigners would no longer be permitted to purchase them. They would be limited to the children of those who already enjoyed them. Licentiousness and dissipation would produce poverty among the mass, while those who exercised the power of taxation, and through whose hands passed the contributions—those who received bribes for the use of their influence—would enjoy wealth, and would distribute money and clothes among the indigent. They would have their clients and their clubs. Men like Pericles, and Alcibiades, and Cimon, would enjoy power, while the mass would retain the appearance of it. The power to tax their allies would be deemed a right, and any attempt on the part of the latter to liberate themselves would be deemed worthy of the severest punishment. Cruelty would follow in the wake of licentiousness. There would be no security for person or property, either within or without the city, and at length all parties would gladly see any change that might have a tendency to restore it. Nothing is so corrupting as power over others, and the more numerous those who exercise it, the greater is its tendency to produce physical and moral degradation in all portions of the community—the oppressors and

the oppressed. The tyranny of an individual may be great, but it is less than that of a privileged body of nobles, and even that is far less than the tyranny of a people.

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The early history of ROME is involved in so much doubt and uncertainty, that the changes in the political condition of the people cannot readily be traced. Under Servius Tullius, who filled the throne during the long period from A. U. C. 176 to 220, there was comparatively little disturbance from wars with their neighbours, and the people were undoubtedly prosperous, the consequence of which was a material change in the relative position of the higher and lower classes. The burthens of the state were more equally distributed, and the assignments of land were made exclusively in favour of the plebeians, as a set-off for the occupation of the original public domain by the patricians.\* The practice of pledging the person of a plebeian as security for debt, from which patricians were exempt, was abolished, and there was a general tendency to an equality of civil rights. This policy was in opposition to the views of the patricians, who were indisposed to part with the privileges that they had enjoyed, and they hailed the accession of his successor, under whom we find a total change. His neighbours were attacked, their cities were taken, their property confiscated, and themselves sold as slaves. Temples were built, upon which were expended the spoils of war. Heavy taxes were imposed. The people were kept at task-work, with sorry wages and scanty food. The equality of civil rights was abolished, and the right of seizing the person of a debtor was re-established. Thus all the advantages resulting to the people from the comparatively peaceful reign of Servius Tullius were lost in the succeeding 24 years of war, rapine, and glory. At the expulsion of Tarquin, the power passed into the hands of the patricians, and the people exchanged a single tyrant for a host of tyrants. Still further enfeebled by the destructive wars with Porsenna and others, in which their houses were destroyed and their farms ruined, we find the plebeians expelled from the public lands,† and the patricians releasing themselves from the

\* Niebuhr, vol. i., p. 323.

† Ibid., vol. ii., p. 122.

obligation to pay rent or tithe for their use, thus depriving the state of the means of paying the troops. The poorer citizens, compelled to neglect their business, and to maintain themselves at their own cost, were handed over to the mercy of their creditors, and the prisons were consequently filled with unfortunate debtors.\* The fines imposed by the consuls were limited in the case of the patricians to a small sum, and were subject to an appeal, while for the plebeians they were wholly indefinite and discretionary.† In the year 258, the latter were driven to the secession from Rome, which produced a change in the government by the institution of the Tribunate; but in the year 268, we find them more violently oppressed than before, and looking back with regret to the kingly government,‡ having found that of the numerous nobles much more oppressive than was that of the single Tarquin. The people were kept incessantly engaged in war, with a view to divert them from claiming the restoration of their rights; yet, although serving at their own cost, they were deprived of the booty, which was paid into the chest of the patricians.§ Those who refused to appear when summoned by the consul, had their farms plundered and their houses burned.|| The change in the government that had been produced by the secession, proved to have been merely one of form, because the clients of the wealthy patricians were sufficiently numerous to decide the elections according to the wishes of their patrons, and the commonalty were frequently driven entirely from the forum. Wars, pestilences, and famines tended to the constant deterioration of the physical and moral condition of the people, while they increased the number of the dependents on the patricians, occupants of the public lands, and of course increased the political power of the latter. In 293, we find the decemvirate instituted, but here again we find an alteration of mere form. The plebeians are still excluded from the public lands—they are still liable to be sold for the payment of their debts. The clients

\* "Every patrician house was a jail for debtors, and in seasons of great distress, after every sitting of the courts, hordes of sentenced slaves were led away in chains to the houses of the noblesse."—*Niebuhr*, vol. i., p. 436.

† *Niebuhr*, vol. ii., p. 212. - ‡ *Ibid.*, p. 128. § *Ibid.*, p. 132. || *Ibid.*, p. 139.



and freedmen of the patricians are introduced into the tribes, and majorities can now readily be obtained for the rejection of any measure tending to an equalization of political rights.\* The abolition of the decemvirate gave rise to new forms of government, but to no change of measures. The ruling power could always pack the centuries, and the elections resulted as they desired.†

The period between the year 320 and the invasion of the Gauls in 364, was the most peaceful and prosperous in the history of Rome, since the days of Numa. The Sabines had been wholly incorporated with the Roman state. The Volsci and Æqui were received into alliance. Their friends had greatly increased in number, and their enemies had diminished greatly in both number and power. The war with Veii occupied a small portion of this period, but at no time was the territory of Rome pressed by a hostile foot. The necessary consequence of the increase of wealth was a change in the political condition of the people. The occupants of public lands were compelled to pay rent for them; the army received regular pay; whatever booty was made was divided among the legion, instead of going into the chest of the patricians; plebeians filled the most important offices; and there was a steady approach to equality of rights. During this period, so rapid was the increase of capital, that the rate of interest was moderate, and no complaints were made of imprisonment for debt.

The invasion of the Gauls‡ produced a total change. The city was destroyed. The country was ravaged. The greatest

\* Niebuhr, vol. ii., p. 239.

† "By having the arbitrary power of fixing the value of every man's taxable property, and the exclusive management of the register of the citizens, the ruling order was enabled to pack the centuries in such a manner as for the most part decided the event of proceedings at the assemblies."—*Niebuhr, vol. ii., p. 306.* "It was not merely by the arbitrary control of the census that the issue of the elections was put into the hands of the ruling body, but also by that of the magistrate who presided at the assembly, and who, if there did not seem to be any pressing danger, *peremptorily refused to take votes for plebeians*: this step, which was hazarded but a short time before the houses were deprived of their confirmatory vote, might be tried a century earlier with far less scruple, and must have been taken frequently."—*Ibid., p. 317.*

‡ A. U. C. 364.

part of the citizens had been swept away, having either fallen in battle, or been carried into slavery. Their departure was followed by wars, famines, and pestilences. "The universal distress had now,"\* says Niebuhr, "reached its highest pitch: debtors were every day consigned to slavery, and dragged to the *private dungeons*. The commonalty sunk under its misery into a state of gloomy submission: while the question with regard to the corporate privileges of the two orders, which had been so vehemently contested at the very beginning of the century, now verging towards its close, seemed to be entirely settled in favour of the patricians. *The number of free citizens was visibly decreasing*; those who remained were reduced to a state of dependence, by their debts. *Rome was on the point of degenerating into a miserable oligarchy*: her name, as one of the Latin towns, recorded in Greek books, supposing that such could have come down to us without the universal empire of the Romans, would have been the utmost that we should have known of her, had not her irretrievable decline been arrested, at this moment, by the appearance of two men, who changed the fate of their country, and of the world."†

The passage of the Licinian laws opened, it is true, to the plebeians, all the offices of Rome, and the result was, that a new nobility speedily supplanted the old patricians. This new nobility was not, however, less hostile to any recognition of the rights of the people than the old had been, and little, if any thing, therefore, was gained. The limitation of the quantity of land to be occupied by individuals would probably have been productive of some advantage, had the people possessed ability to enforce it, but they did not possess even sufficient power to change the law of debtors. The change was, therefore, one of form, not of substance. Licinius himself was the first to be fined under it, and in a few years the law fell into contempt.

From this time forward we find Rome exclusively occupied with the extension of its power. New wars produced new triumphs and abundance of spoil, and every increase of the wealth thus acquired was attended with deterioration of the physical

\* A. U. C. 378.

† Niebuhr's History of Rome, vol. ii., p. 460.

and moral condition of the people. The wars with the Samnites were attended with unprecedented cruelty and outrage. Sicily was desolated, and the capture of Agrigentum distinguished by the massacre of a large portion of its population, the whole of the remainder being sold as slaves. The war with Carthage was marked by the desolation of Africa, while Carthage revenged herself by plundering the towns on the Italian coast. Calabria was plundered and enslaved. The demands on the colonies for the maintenance of the war, were enormous. The towns on the coast at one time plundered by the Carthaginians, at another compelled to furnish ships and men to replace the fleets destroyed by the enemy, were ruined. The productive power was in a constant course of diminution. The poor were daily becoming poorer. The clients of the rich were daily increasing in number. The condition of the slaves was rapidly deteriorating. Great numbers were introduced from abroad, to take the place of the free citizens destroyed in the war. Vast public works were undertaken, requiring the collection of heavy taxes and the expenditure of large amounts of public money. The number of public officers was rapidly increasing. Every day tended to increase the inequality of the moral, physical, and political condition of the several portions of the community.

The subjugation of Northern Italy was followed by the second Punic war, in which a large portion of Italy was rendered desolate. The oppressions of the country people increased rapidly, while the people of Rome itself were exempt from taxation, and had provisions distributed almost gratuitously. The inhabitants of the country towns endeavoured to transfer themselves to Rome, that they might relieve themselves from their burthens. Extensive tracts of land became desolate for want of people to cultivate them, while the patricians purchased others from which the proprietors were expelled in consequence of inability to pay the assessments. Individuals now possessed enormous estates, immense wealth, and armies of slaves. The people of Campania were enslaved: The influence of particular families had now become so great, that they were courted by the towns and cities to be their protectors before their masters of the Senate.

With the change in the physical condition of the people, there was a corresponding one in their moral and intellectual condition. The great mass having sunk to barbarous rudeness, bloody gladiatorial games and combats of wild beasts took the place of dramatic representations, while the few were becoming daily more refined and fastidious. The Scipios, Metellus, Appius, and others, in their town and country houses, formed courts around themselves. All the arts were exercised—all the sciences taught—by slaves in such houses; all departments of service had their class of functionaries; the upper ranks became highly accomplished, while the mass enjoyed “spectacles of cruel triumph; exhibitions of wailing lords and princes, and thousands of unfortunate captives; interminable lines of treasure-wagons, and slaves who carried the world’s spoils, in crowded procession, following the cars of their generals: wild beast baiting, and conflicts of gladiators.” To maintain immense armies, and to keep the people of Rome amused and fed, required immense revenues. Those revenues were farmed out, and the farmers did not fail to extract the largest possible contributions from the unfortunates subjected to their power.\*

The third Punic war and the destruction of Carthage followed, with a vast increase of wealth. Bread was delivered at one-fourth of its cost. Festivals and games became more magnificent. Poverty and idleness abounded, and complaints of debt and of usury were universal, while imposts and revenue ruined the provinces thus obliged to support the expenses of Rome. The great men appropriated the public property, regardless of the rights of the occupants.†

Cultivation was in a great degree abandoned to slaves. The people of Rome, accustomed to be supported out of the contributions of the provinces, saw with jealousy their neighbours,

\* In relation to this period, M. Guizot says, (*History of Civilization*, p. 14,) “Take Rome, for example, in the splendid days of the republic, at the close of the second Punic war; the moment of her greatest virtues, when she was rapidly advancing to the empire of the world—*when her social condition was evidently improving.*” The reader will judge of the accuracy of this view.

† “One of the grievances bitterly complained of by the Gracchi, and all the patriots of their age, was that, while a soldier was serving against the enemy, his powerful neighbour, who coveted his small estate, ejected his wife and children.” —*Niebuhr*, vol. ii., p. 111.

compelled by oppression at home to abandon their houses and farms, transfer themselves to the city to be partakers in the idleness and in the enjoyments of their masters. A law was passed, forbidding the concourse of aliens to Rome, and requiring all the Italian towns, from time to time, to recal their citizens. Now ensued the Social war, which cost the lives of 300,000 men, and which was only terminated by admitting all the Italian allies to the rights of citizenship, the effect of which was, that all the people of Italy had an equal right to be maintained out of the contributions of the distant provinces.

From this time the government is purely military. The people, accustomed to live upon the plunder of the conquered provinces, are now prepared to exercise the same control over the patricians that the latter have, in time past, exercised over them. By their aid Marius and Sylla obtain power, and the city streams with patrician blood. The state passes under the control of Cæsar and Pompey, Antony and Octavius, Tiberius and Nero, Caligula, Commodus and Heliogabalus. With every step in the extension of the empire, there is found increased necessity for permitting the populace of Rome to live in idleness upon the spoils of war. With the deterioration of their physical condition there is a constant downward tendency in their moral condition, until vice and profligacy reign paramount throughout the whole vast empire, and political rights, whether of the people or of the patricians, are totally forgotten.

At no time during the existence of Rome was there any tendency to an equality of rights, or to an improvement of the political condition of the mass of the people, except under Servius Tullius, and in the half century which preceded the invasion of the Gauls. Those are the periods when peace existed, and consequently those which make least figure in history. Many others are marked by a more rapid increase of wealth, the spoils of conquest; but such wealth produces, as has been shown in the case of Athens, a very different effect. The people were then enabled to apply their powers advantageously to production; and every increase in the productive power is attended by an improvement in the physical and moral condition of the whole people, and a constant approach to equality of political condition. Every increase in the power of plundering

others is attended by a deterioration in the physical and moral condition of all classes of a community, and by a constantly increasing difference of political condition, enabling the few to trample upon the many, until the people who have thus rendered themselves slaves, desirous to throw off the yoke of their masters, are ready to follow any Marius, or Sylla, or Sertorius, who will grant them revenge for past injuries and enable them to pass from a situation in which they are the objects of plunder, to another in which they can become themselves the plunderers.

## CHAPTER III.

## OF THE INFLUENCE OF WEALTH ON THE POLITICAL CONDITION OF THE PEOPLE OF ITALY AND SPAIN.

THE middle of the tenth century found Italy divided into a vast number of small territories, the possession and control of which were the object of ceaseless wars. The nominal sovereign was Berenger II., but his rights were disputed by his nobles, and his territories were invaded and ravaged by Hungarians and Saracens. The only law recognised was that of force. The higher nobility tyrannized over the people and the lesser nobility, who looked in vain to the crown for protection.

With the re-establishment of the empire by Otho the Great,\* we find a new state of things. Order was established, and the people were enabled to apply their labours productively. Of 41 years that Otho and his successors of the house of Saxony wore the imperial crown, they were more than 25 years absent from Italy, and during that period no tribute was imposed, and no levies of men were required for the service of the empire. The consequence was a great increase of wealth. Previous to the reign of Otho the cities were poor, as is shown by the nature of the commerce maintained by them with the Venitians. Before the middle of the following century they had accumulated large capitals, and their manufacturers were already the rivals of those who had so recently been their masters.† Under these circumstances it is not extraordinary that we should find them gradually establishing for themselves, without tumult, and without even the form of charters from the sovereign, municipal institutions, and freeing themselves from the control of the counts, or bishops, who had been accustomed to rule over them. The commencement of the eleventh century was marked by some disturbances, in consequence of the attempt of the Mar-

\* A.D. 961.

† Sismondi, tom. i., p. 385.

quis of Ivrea to assume the sovereignty of Italy, but they were not of sufficient importance to prevent the productive application of labour throughout a large portion of Lombardy.

So rapid was the increase of power on the part of the people of the cities, that in the year 1026, we find them engaged in wars with the lesser nobles, compelling them to relinquish their predatory habits, and to become inhabitants of the cities. With a view to conciliation, the most important offices of state were exclusively appropriated to them. From this time until the middle of the twelfth century, we find occasional wars, in which a campaign would be marked by a single battle, after which the parties would return to their homes until the following year; and frequent civil disturbances, but few of a character to entitle them to much attention. So rapid, during this period, was the growth of the power of the people, that at its close, except the Marquis of Montferrat, scarcely a single nobleman could be found who was not in league with, or under the protection of some city.

Unfortunately, however, the system of self-government was not fully understood. While the people of Milan and of Pavia desired to be free from the control of others, they were not unwilling to exercise power over their weaker neighbours, as we have seen was the case with Athens and with Rome. The consequence of this was a necessity for maintaining troops and for granting power to the nobility who filled the various offices of state. Wars tended to maintain and even to increase that power, and it is not unreasonable to suppose, that in Lombardy, as formerly in Rome, they were stirred up with a view to prevent the discussion of the claims of the people to an equality of rights. They were accompanied by destruction of property and waste of labour, and tended greatly to retard the general improvement of condition, and particularly that of the agricultural class, whose crops were not unfrequently wasted and destroyed.

The invasion of Frederic Barbarossa closed the period in the history of Italy that is marked by an improvement in the physical and moral condition of the people, and by an increase in their political power. Tortona and other towns were destroyed. Surrounded by an army of 100,000 men, Milan was



starved into submission. Podestas, appointed by the emperor, replaced the consuls elected by the people. Crema was leveled to the ground, as a prelude to the total destruction of Milan. The demands for tribute were perpetual. In many cases two-thirds of the gross produce of the land were demanded by the imperial officers. The wars of Frederic were closed by the peace of Constance, in 1183, but 30 years of havoc and desolation had changed the relative position of the various parties to the social compact. The power of production had been diminished. Those who possessed landed or other capital were now again the masters of those who depended on their daily labour for their daily bread. Authority was usurped by a turbulent nobility, or by sanguinary tyrants,\* whose power was increased with the destruction of towns and cities, of farms and farm-houses, by which the independent mechanic or labourer was forced to throw himself upon them for support.

With the increase of their power there was a constantly increasing difficulty of maintaining public order. In former times they made war upon each other and upon the citizens without the walls; but now they were within the walls, and their followers were so numerous that the citizens were unable to restrain them. The power of the podestas was increased. They were followed by trains of archers and of soldiers, whose duty it was to maintain order, notwithstanding which the streets were constantly the scene of tumults, produced by the conflicts of the nobles and their retainers.

In electing the podestas, care was taken to prevent the exercise of partiality towards either of the factions of a city, by selecting always a stranger. It was not supposed that they could usurp any authority not intrusted to them. In Vicenza, Verona, Ferrara, and other cities, they were nominated by persons appointed by the chiefs of the two factions into which the nobility were divided. With the increasing strength of these factions we find a constant increase of the power of the podestas; and the disturbed state of the country rendered it easy for those officers to enlist troops in their service.

The exile of one of them, Eccelin II., produced the destruc-

\* Sismondi, tome ii., p. 235.

tion of Vicenza. During ten years, Ferrara was the subject of pillage by one or other of its factions. In the midst of these disturbances, we find a constant increase of the power of the few, and diminution of that of the many. The House of Romano and that of Este, gradually extend their dominion, and become masters of numerous cities. The former calls in the aid of Frederic II., whose invasion is accompanied by the almost entire annihilation of the power of production. Those who are pillaged on one day, are compelled to become pillagers on the next, and thus large armies are readily recruited.

From this time the history of Lombardy becomes a history of the houses of Romano, of Este, of Della Torre, and of Visconti, who are now masters of the people. Wars are made for their gratification and aggrandizement, and from day to day there is a deterioration of physical, moral, and political condition. Every day increased the difficulty of obtaining support from honest industry. Each day the wages of labour were diminishing, and thus there was a constantly increasing inducement to join any leader who could offer pay and the prospect of plunder. Plundered successively by their fellow countrymen, by the Swiss, the Germans, the French, and the Spaniards, we find them at the distance of two centuries from the period of the highest elevation of the cities of Lombardy, reduced almost to the lowest depth of physical, moral, and political degradation.

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The prosperous period of Lombard history was that which preceded the invasion of Frederic Barbarossa. The nobles had been compelled to desist from private war, and to take up their residence in the cities. They still, however, enjoyed great power, as nearly all public employments were monopolized by them; and as they had not yet had time to accustom themselves to the employments of peace, it is not extraordinary that they should deem their interests best promoted by fomenting differences among the cities and the citizens. Their palaces were fortified castles, and their amusements were civil broils, of which the streets of their respective cities were the theatres. Like the people of Athens and of Rome, those of Milan and Parma, Florence and Venice, denied to their allies and their

subjects the rights of citizenship. They were regarded as privileges, by virtue of which the few were enabled to tax the many. Equality of rights was unknown.

A continuance of peace, under the protection of the empire, would have been attended with a rapid increase of wealth and improvement of manners. The power of the nobles, and that of the citizens, would have been diminished, while that of the people throughout the country would have increased. The tendency to union and peace would have grown with wealth, and a powerful state, capable of defending itself against France, Germany, or Spain, would have been formed. Nearly a century of war with Frederic I. and II. produced poverty and misery, while it increased the wealth and power of the nobles, who were thus enabled to become masters of the people. With diminished production there was a constantly increasing tendency to disunion and war. Each little state desired to trample upon and to plunder its neighbours, until at length, reduced to poverty by unceasing internal divisions, all became alternately a prey to their more powerful neighbours of France and Spain, by whom friend and foe were equally plundered.

If we examine the histories of Florence, of Venice, and of Genoa, we shall find that all owe their fall to the desire of conquest. All wished for *subjects*, while none desired *fellow citizens*. All enjoyed privileges, by virtue of which they taxed their weaker neighbours. The power of obtaining wealth without labour, enabled them to engage in war without paying its expenses: war prevented improvement in the moral and physical condition of the people, while it enabled the few to exercise power over the many, and thus prevented improvement of political condition.

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In no part of continental Europe were the *forms* of freedom better observed during the middle ages, than in the SPANISH PENINSULA. In no part does the *spirit* of free government, as indicated by any approach to equality of rights and duties, appear to have less existed. In none does the object of government, security of person and of property, appear to have been less attained. Divided into numerous small kingdoms, perpetually at war with each other, while convulsed at home by dis-

putes about succession, its sovereigns were powerless for the maintenance of their own rights or of those of the people. They could summon to the cortes the representatives of the cities, but neither king nor cortes could impose taxes upon the property of nobles who resided upon their own estates, maintaining the state of petty sovereigns, one of whom could muster 20,000 vassals, while another was lord over eighty towns and cities, and a third could travel through his own estates from Seville to Compostella, almost the two extremities of the kingdom. Many of them enjoyed incomes exceeding 50,000 ducats, and those of the whole body of the higher nobility were estimated to equal one-third of the revenue of the kingdom.\* They were the real sovereigns, exercising an unlimited power of taxation over their vassals, and making war for the gratification of their ambition or their revenge. A necessary consequence of this division of political power was, that in no country of Europe does anarchy appear to have prevailed so universally,† to the almost total annihilation of that of producing or accumulating wealth.

The right of exemption from taxation thus enjoyed by the higher nobility, was also claimed by the lesser nobles, the *hidalgos* and *cavalleros*, (knights,‡ and by the Church, which monopolized a large portion of the remaining revenue of the kingdom.§ The abess of the monastery of Huelgas exercised jurisdiction over 14 capital towns, and more than 50 smaller places. The jurisdiction of the Archbishop of Toledo extended over 15 large and populous towns, and a great number of inferior places. He could muster a larger number of vassals than any other subject. His revenue amounted to 80,000 ducats, and the subordinate beneficiaries of his church divided among themselves 150,000.|| The order of St. James possessed 84 commanderies, and 200 inferior benefices. It could bring into the field 400 knights and 4000 lances, forming, with their followers, no inconsiderable army. The rents of the Master amounted, in the time of Ferdinand and Isabella, to 65,000 ducats; those of Alcantara to 45,000; and those of Calatrava to

\* Prescott's Ferdinand and Isabella, Introduction, p. lxi.

† Ibid., p. lxiv.

§ Ibid., p. lxvii.

† Ibid., p. lxi.

|| Ibid., p. lxix.

40,000. Their castles, towers, and convents, were to be found in every district of the peninsula. Their rich commanderies were coveted by men of the highest rank, as sources of emolument, and for the power conferred by the exercise of authority over an organized body, pledged to implicit obedience.

The total inability of the sovereigns to maintain security is shown by the remonstrances of the cities upon their various oppressions, and by their association for the establishment of the *Hermanidad*, or Holy Brotherhood, the object of which was to repel force by force.\* The union for this purpose, in 1315, embraced 100 cities.

In the period immediately anterior to the reign of Ferdinand and Isabella, anarchy appears to have attained its highest point. The castles of the nobles were converted into dens of robbers, from which they sallied forth to plunder travellers, whose spoil was afterwards sold publicly in the cities. Christians were seized and sold as slaves to the Moors.† All communication on the high roads was suspended, and no man dared move beyond the walls of his city without a military escort. Within the cities, rival nobles carried on open war with each other. In Seville and Cordova the churches, which were fortified and occupied by bodies of armed men, were sacked and burnt to the ground. In Toledo, 4000 dwellings were burnt at one conflagration.‡ Andalusia was the scene of the wars of the factions of the Guzmans and Ponces de Leon. On one occasion the Duke of Medina Sidonia mustered an army of 20,000 men against his antagonist; on another, no less than 1,500 houses of the Ponce faction were burnt in Seville.§ Instead of five royal mints, there were now 150 in the hands of individuals, who debased the coin to such an extent, that the most common articles of life were enhanced in price three, four, or six fold.||

There was no security for person or property. The husbandman, stripped of his harvest and driven from his field, abandoned himself to idleness, or resorted to plunder for subsistence. It was useless to labour, when there was an almost absolute certainty that the labourer would not enjoy the product.

\* Prescott's *Ferdinand and Isabella*, Introduction, p. liv. † *Ibid.*, vol. i., p. 70.

‡ *Ibid.*, p. 89.

§ *Ibid.*, p. 119.

|| *Ibid.*, p. 70.

The natural consequence was frequent famines, the commonest necessities of life being entirely beyond the reach of the poorer classes. Famines were succeeded by pestilences, which carried off vast numbers, and the people were reduced to the most squalid poverty, by the same measures which enabled their numerous masters to acquire property and power.

The year 1474 saw all Spain, with the exception of Granada, united under Ferdinand and Isabella, and with this union we find a change in the condition of sovereign and people. The former saw that the latter were their natural allies against the many masters who now tyrannized over them, and therefore endeavoured to improve their condition. The *Santa Hermandad* was established throughout the kingdom, and maintained by a tax imposed on the householders, and by its activity the country was cleared of its swarms of banditti, as well as of the robber chieftains who had been accustomed to set the law at defiance. Their fortresses were destroyed. Security and order were restored.\* This important measure was not accomplished without encountering the determined and repeated opposition of the nobles, whose authority it was calculated to check, and it required all the queen's address to effect its adoption. That address would, however, have effected little, had it not been aided by the power resulting from the union of Castile and Aragon.

Having thus established the security indispensable to the productive application of labour, the attention of the sovereigns

\* "The law acquired an authority which, in the language of a Spanish writer, caused a decree, signed by two or three judges, to be more respected since that time, than an army before. But perhaps the results of this improved administration cannot be better conveyed than in the words of an eye witness.—'Whereas,' says Pulgar, 'the kingdom was previously filled with banditti and malefactors of every description, who committed the most diabolical excesses, in open contempt of law, there was now such terror impressed on the hearts of all, that no one dared to lift his arm against another, or even to assail him with contumelious or discourteous language. The knight and squire, who had before oppressed the labourer, were intimidated by the fear of that justice which was sure to be executed on them; the roads were swept of banditti; the fortresses, the strong holds of violence, were thrown open, and the whole nation, restored to tranquillity and order, sought no other redress than that afforded by the operation of the law.'"—*Prescott's Ferdinand and Isabella*, vol. i., p. 196.

was now given to facilitating the exchange of the commodities produced. The union of the kingdoms permitted the abolition of restrictions upon internal trade. Foreign trading-vessels were invited to the ports of Spain by laws which guaranteed their security. Roads and bridges, moles, quays, and light-houses, were constructed. Harbours were deepened and extended, with a view to accommodate the great "increase of trade." The currency was reformed, and the power of coining limited to the royal mints, with a view to secure its steadiness. Arrangements were made for establishing an uniform system of weights and measures throughout the kingdom. Numerous oppressive tolls and monopolies were abolished. The *alcavala*, a tax upon exchanges, which previously had been arbitrary, was now fixed at 10 per cent. The people at large now, for the first time, came into the enjoyment of *rights*.

The effect of these measures was a rapid increase in the productive power. The mercantile marine, at the close of the fifteenth century, amounted to 1000 vessels. The woollen and silk fabrics of Toledo gave employment to 10,000 workmen. Segovia manufactured fine cloths; Granada and Valencia produced silks and velvets; Valladolid became remarkable for its curiously wrought plate, and the fine cutlery and manufactures of Barcelona rivalled those of Venice.\* The fairs of Medina del Campo were already the great mart for the exchanges of the peninsula, and the quays of Seville began to be thronged with merchants from the remotest parts of Europe. The impulse thus given by security to, the power of producing commodities for the improvement of the physical condition of man, was speedily felt in the arrangements for his intellectual improvement. Ancient seminaries were remodelled. New ones were created, and all swarmed with disciples. More printing-presses, it is believed, were at work in Spain, than exist at the present day.

Such were the effects of the peace which followed the union of the several kingdoms of Spain in a single monarchy, and they would have been still greater, had not Ferdinand been actuated by a desire of foreign conquest, which compelled him,

\* Prescott's Ferdinand and Isabella, vol. iii., p. 460.

at great expense, to keep large armies on foot in Sicily, Naples, and Africa. The *form* of the government remained unchanged, but its spirit was entirely different. The people were freed from restrictions upon changes of their place of residence; they enjoyed security, and a degree of freedom before unknown, while the cost of maintaining it was diminished. They exercised, in many respects, the right of self-government, whereas, before the union, every act was regulated by petty tyrants, desirous of extracting from the unfortunate labourer the largest possible proportion of the proceeds of his toil. The nobles were still too powerful for the accomplishment of all the changes that were to be desired, but the daily increasing power of the people was continually augmenting that of the crown, and a continuance of peace was alone required to secure to Spain a government, the spirit of which should be in perfect accordance with its liberal forms. Every day would have diminished the necessity for revenue, and the necessity for interference with the production or exchange of commodities; every day would have increased the facility of accumulating wealth on the part of mechanics and merchants, and would have increased the power of the king and of the people to enforce upon the aristocracy the payment of contributions for the maintenance of order, from which they held themselves exempt. The accomplishment of this measure would have greatly diminished the pressure upon the other classes of society, and would thus have greatly facilitated the accumulation of wealth, and the improvement of their condition, physical, moral, and political.

Unfortunately, however, the doctrine of equal rights was little known in that age. The labourer and the mechanic, plundered at home, were glad to exercise their powers in a similar manner upon others, when the opportunity offered; and when civil war ceased to exist, they gladly offered their services in aid of foreign enterprises that held out the prospect of wealth without labour. Volunteers of all ranks were never wanting for the invasion of Italy or Sicily, and the plunder of the unfortunate inhabitants of the new world held out temptations that were almost irresistible. So universal was the desire of acquiring gold, that Seville was almost depopulated, and appeared to be tenanted chiefly by females. On one occasion, when an expedition



into Italy was countermanded, more than 3000 volunteers, many of them of noble family, hastened to that city to be admitted into the Indian armada. The treasurer of Hispaniola returned, after a few years residence, with 96,000 ounces of gold, and it was believed that that commodity was so abundant as to be dragged up in nets from the beds of the rivers.\* Each new arrival tended, by increasing the appetite for plunder, to prevent the establishment of habits of industry, and to perpetuate the low state of morals produced by so long a period of anarchy. The extent to which this operated was comparatively small, until after the accession of Charles V., when the conquest of Mexico, and subsequently that of Peru, placed the treasures of those countries at the command of the Spanish people, and held out prospects of fortune unalloyed by the dangers and misfortunes that had attended the earlier expeditions.

The amount of gold and silver transmitted to Spain during the reign of Charles V., probably equalled the whole quantity known to exist prior to the discovery of America. That treasure was obtained at the cost of the most extraordinary oppression, by which portions of the new world were almost entirely depopulated. The number of Indians who fell a sacrifice to forced labour, in the first 38 years which followed the discovery, was estimated at 12,000,000.

While America held out such inducements to the relinquishment of the dull pursuits of civil life, the treasure thus obtained enabled the sovereign to employ another portion of the people in the conquest and plunder of Italy. Reduced to subjection, it was placed under viceroys, under whom taxation was carried to such an extent, that many portions were almost depopulated. Wealth without labour became now the great object of ambition, and the natural consequence was, that trade and the mechanic arts, respected under Ferdinand and Isabella, fell into disrepute under Charles V. and his successors. His immediate successor, Philip II., in one of his laws, designates the most useful mechanic arts, those of the blacksmith, shoemakers, leather dressers, and others, as "*oficios viles y bazos*."†

\* Prescott's Ferdinand and Isabella, vol. iii., p. 471.

† Ibid., p. 481. Mr. Prescott quotes a passage from Capmany, in which he says, "I have often seen a village in this province, in which the vagabonds, smugglers, and hangmen were natives, while the farrier, shoemaker, &c., was a foreigner."

The history of Athens shows that the exercise of power by one community over another community, by which the one is enabled to acquire wealth without labour, tends to destroy the habit of industry which is essential to moral and physical well-being, and to produce idleness, immorality and wretchedness. It shows, also, that the exercise of power over the actions of others leads to the loss of control over their own actions, and to the concentration of political power in the hands of individuals, as in the cases of Themistocles, Cimon, and Pericles. In the history of Rome, we find the fact confirmed. When the people of that city were masters of the revenues of Spain, Greece, Africa, and Asia, they were themselves slaves to Marius, Sylla, Cæsar, Augustus, Tiberius, and Nero. In both cases the actions of the people and of the aristocracy were controlled by the individuals who possessed the power of appropriating the tribute of foreign nations, and who could purchase the services of a populace, accustomed to live upon the plunder of others, and ready to execute the orders of their masters. In the history of Spain, we find further confirmation of it. The treasures of Peru and Mexico enabled Charles V. to silence opposition at home, and to extend his dominion throughout Italy. Large as were his revenues, they were absorbed by his armies, and it was not only impossible to diminish, but it became necessary to increase taxation; and accordingly we find in his reign a decided tendency to diminish that freedom of action that is essential to production. His successor, at his accession, enjoyed a revenue, from his American possessions, of 25,000,000 of guilders, yet his necessities required the enforcement of new and oppressive taxes upon his subjects.

"Under the Spanish administration," says Sismondi, "it was impossible for the Milanese to recover from the disasters of the war. The most absurd imposts banished commerce and manufactures, and if the laws did not succeed in destroying the fertility of the soil, they certainly reduced to poverty those who cultivated it."\* In Naples, the viceroy, Don Pedro de Toledo, "established a monopoly of the commerce in grain, exposed the capital to frequent famines, while, even in the most fruitful

\* Sismondi, *Republiques Italiennes*, tome xvi., p. 166.

years, the bread was inferior in quality to that used by the poorest classes in seasons of scarcity, when the trade was free.”\* “The Spanish administration had almost restored these islands (Sicily and Sardinia) to a state of barbarism. Commerce and manufactures were driven from the cities, and the country was abandoned to brigands and smugglers.”† The Roman states were impoverished and depopulated by 30 years of war, and still more by the ferocity of the Spanish conquerors.”‡ The insolence and rapacity of the Spanish troops were so intolerable in Zeland, “that the people actually refused to work at their dykes, saying that they chose rather to be swallowed up by the ocean, than to remain a prey to the cruelty and avarice of the Spanish soldiers.”§

The lives and the treasures of the people of Spain were now wasted in a long and bloody war, for the establishment of a control over religious opinion. Each step in the career of the government was attended by a deterioration of the physical condition of the people. Agriculture and the arts were neglected. The country was depopulated by emigration. The taxes were increased, while the number of contributors was diminished. Indigence prevailed in almost every part of the kingdom, and vast numbers became unable to meet the demands of the government. The change of physical was accompanied by a similar change of moral condition, as shown by the atrocious cruelties practised upon the people of the Netherlands, and upon the unfortunate Moors, vast numbers of whom were expelled or murdered, while others were sold as slaves, their property having been previously confiscated. All power was in the hands of the sovereign and his agents, who exercised it unsparingly.

The reign of Philip III. was signalized by the expulsion of the remainder of the Morescoes, one of the reasons for which was, “*that if they were not, there was much ground to apprehend that they would become masters of all the riches in the kingdom.*” It was asserted that, in consequence of their industry and frugality, great numbers of Spaniards were excluded from trade and labour, and thereby reduced to indigence—that Spanish villages

\* Sismondi, *Republiques Italiennes*, tome xvi., p. 168.

† Ibid., p. 170.

‡ Ibid., p. 171.

§ Watson's Philip II., book iii.

throughout Castile and Andalusia had fallen to decay, while those of the Morescoes increased and flourished—and that the Spanish farmers were unable to pay rent, although occupying the most fertile parts of the country, while the Morescoes, who lived in the most barren parts, allowed one-third of their crops to the proprietors of their farms, and were not only able to support themselves and their families, but annually increased their stock.\*

Fortunately for themselves, the Morescoes had not been permitted to unite with their Christian fellow subjects in plundering the people of Mexico and Peru, Italy and the Netherlands. They could acquire no wealth but at the cost of labour, and they had therefore preserved their habits of industry. They were, as described by the proprietors of the lands they cultivated, by whom the expulsion was warmly opposed, “the most skilful farmers, and the most ingenious manufacturers of Spain.”† With many branches of manufacture, indispensable for internal consumption and foreign trade, they alone, it was stated, were acquainted, and without their skill, a great portion of the kingdom would lie waste. The number expelled was not less than 600,000, and the consequences fully accorded with the predictions.

While the productive power of the kingdom was thus in a course of constant reduction, the expenditure was not diminished. The war in the Netherlands was continued until entire exhaustion compelled the parties to a peace, by which the independence of Holland was acknowledged.

Under Philip IV. a constant succession of wars, and the profligate expenditure of the court, compelled the imposition of new taxes upon a people rapidly sinking into hopeless poverty. Insurrections in Naples and Catalonia were the result. In the latter, distinguished at all times from the other provinces of Spain for industry and wealth, resistance was crowned with success, and their privileges were declared inviolable. The calamitous reign of Charles II. saw the people sinking still further into poverty and wretchedness, and at its close so completely had political power departed from them, that the only choice offered to their consideration was that of taking a German or

\* Watson's Philip III., book iv.

† Ibid.

French master; and for a series of years Spain was ravaged by armies of English, French, and Germans, intent upon settling the question for them.

The union of the various kingdoms by Ferdinand and Isabella, was attended with vast advantage in the increase of security, in the abolition of restrictions upon trade, and in the diminished necessity for contributing in personal services, or by taxes, to the maintenance of order; and had not the people of Spain, unfortunately for themselves, discovered that industry was not essential to the acquisition of wealth, there can be no doubt it would have produced all the advantages that might reasonably have been expected for it. To that unfortunate discovery was due the aversion to regular labour which produced the deterioration of their physical and moral condition; and to the diminution of the productive power it was due that, after tyrannizing over a large portion of Europe and America, the people saw treaties arranged for giving them a master, without even *the form* of consulting their wishes. Nothing is so dangerous to a nation as the power of tyrannizing over other nations. To do unto others as they would have others do unto them, is, in their case, as in that of individuals, dictated not only by morality, but by a regard to mere self-interest.

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Prior to the reign of Charlemagne, FRANCE was desolated by civil wars, in which was destroyed the wealth that had been accumulated in earlier and more peaceful times. The people were impoverished, and both sovereign and people were becoming daily more powerless to resist the assumptions of the nobility.

Under Pepin and Charlemagne the royal authority was restored, and had they confined themselves to the maintenance of peace at home, it is not to be doubted that the restoration would have been permanent. Love of dominion, however, influenced their actions, and the people were harassed with expeditions to the shores of the Baltic and the remotest parts of Germany: expeditions so unceasing, that many became ecclesiastics, with a view to relieve themselves from the claims of the government. The natural consequence of the exhaustion thus produced was, that at the death of Charlemagne, the people

were unable to defend their own rights or those of the sovereign. The empire was invaded by Normans, Huns, and Saracens. Germany was plundered by the latter, while the former spread devastation throughout a large portion of France. The mighty fabric fell to pieces, and the successor of the restorer of the Western empire was unable to maintain his authority at home.

The public lands were now usurped by the officers of the crown, who availed themselves of the power thus acquired to make war upon their countrymen, who were compelled to fortify their residences, the sovereign having lost all power to maintain order. Plundered alternately by their Norman invaders and by their more powerful neighbours, the smaller proprietors were compelled to become the vassals of the latter, as affording them the only chance of security for either person or property. Even then it was doubtful if those who sowed the seed would reap the harvest. All inducement to labour was destroyed when more could be gained in a few days by plundering others, than by months of severe exertion. The power of *the few*, nobles and bishops, was rapidly increasing, while that of *the many*, the people, was as rapidly decreasing. The first were becoming sovereigns, the latter slaves. The principle of combined action no longer existed. That of divided action, commonly called the feudal system, had taken its place.\*

\* M. Guizot says, (*History of Civilization*, p. 102,)

"A great proof that in the tenth century the feudal system was necessary, and the only social system practicable, is the universality of its adoption. Wherever barbarism ceased, feudalism became general. This at first struck men as the triumph of chaos. All unity, all general civilization seemed gone; society on all sides seemed dismembered; a multitude of petty, obscure, isolated, incoherent societies arose. This appeared to those who lived and saw it, universal anarchy—the dissolution of all things. Consult the poets and historians of the day; they all believed that the end of the world was at hand. Yet this was in truth a new and real social system which was forming: feudal society was so necessary, so inevitable, so altogether the only consequence that could flow from the previous state of things, that all entered into it, all adopted its form. Even elements the most foreign to this system, the Church, the free communities, royalty, all were constrained to accommodate themselves to it. Churches became sovereigns and vassals; cities became lords and vassals; royalty was hidden under the feudal suzerain. All things were given in fief, not only estates but rights and privileges; the right to cut wood in the forest, and the privilege of fishing. The

At the accession of Hugh Capet,\* his power was limited to the feudal supremacy over his fiefs of Paris and Orleans. The remainder of the kingdom was partitioned out among a few

churches gave their surplice-fees in fief: the revenues of baptism—the fees for churching women.”

We are strongly disposed to believe that the people of that day, seeing the horrors of the feudal system, were more accurate in their views than M. Guizot. The former regarded it as a step downward in the career of barbarism, while the latter says, that as “barbarism ceased, feudalism became general.” To prove this assertion it would be necessary for its author to show that in those nations in which the feudal system was most fully established, barbarism was soonest arrested, and civilization most speedily restored, *i. e.* that France and Germany were in advance of Italy and England. The reverse, however, was the case. Both of the latter were arrested in the career of barbarism and disunion, and the consequence was, that the feudal system took comparatively small root, whereas in both of the former, incessant wars impoverished the people and enfeebled the sovereign, and the rights of both were invaded by every man who could collect about him a train of followers ready to plunder and to murder those who possessed property sufficient to excite their desires.

When labour yields scarcely more than is required to support life, as is the case in the early stages of society, the labourer can obtain little clothing, but as it becomes more productive, he is enabled with every year to devote an increased proportion of the product to the purchase of clothing and of furniture, to the improvement of his house, &c. Every increase in the productiveness of labour is therefore attended by an increase in the proportion which mechanics and manufacturers bear to agriculturists, and between two nations in other respects similarly circumstanced, the ratio which the town population bore to that of the country might be taken as that of the productiveness of labour. If the system of all the nations of the present day were the same, such would be found to be the case. That it is not, is owing to difference of system. The labour of England ought to be more productive than that of the United States, but it is not so, because of restraints and taxation.† Diminished production and diminution of town population are the necessary accompaniments of increasing barbarism. Increase of production and increase of town population, of increasing civilization. M. Guizot informs us, that the establishment of the feudal system “changed the distribution of the population. Hitherto the lords of the territory, the conquering population, had lived united in masses more or less numerous, either settled in cities, or moving about the country in bands; but by the operation of the feudal system, these men were brought to live isolated, each in his own dwelling, at long distances apart. You will instantly perceive,” says he, “the influence which this change must have exercised upon the character and progress of civilization. The social preponderance—the government of society—passed at once from cities to the country; the baronial courts of the great landed proprietors took the place of the great national assemblies—the public body was lost in the thousand little sovereignties into which every kingdom was split. This was the first consequence—

\* A. D. 987.

† See vol. ii., chap. vii.

great lords, who exercised all the prerogatives of sovereignty, making war, coining money, and administering justice, while the people were poor, miserable and enslaved. For above a

a consequence purely physical, of the triumph of the feudal system. The more closely we examine this circumstance, the more clearly and forcibly will its effects present themselves to our notice."—*History of Civilization*, p. 105.

It was the triumph of anarchy over order, and its effect was, a constant diminution of the productive power, accompanied by a diminution of the *proportion* of the labourer, and increase of that of the lord. The one was ennobled, while the other was enslaved. We cannot, therefore, be surprised at "that almost universal, invincible hatred which country people have at all times borne to the feudal system—to every remnant of it—to its very name. We are not," says M. Guizot, "without examples of men having submitted to the heavy yoke of despotism—of their having become accustomed to it—nay, more, of their having freely accepted it. Religious despotism, monarchical despotism, have more than once obtained the sanction, almost the love, of the people which they governed. But feudal despotism has always been repulsed, always hateful."—*Ibid.*, p. 114.

They sought tranquillity, which was incompatible with the division of power among a host of chiefs making war upon each other and upon the inhabitants of the cities, and plundering the peaceful traveller. The despotism of one was preferable to the despotism of many, and accordingly we find, with the establishment of arbitrary power by Louis XIV., an increase of wealth and an improvement of condition.

Mr. Hallam says, (*Middle Ages, part ii., chap. ii.*) "If we look at the feudal polity as a scheme of civil freedom, it bears a noble countenance. To the feudal law it is owing, that the very names of right and privilege were not swept away, as in Asia, by the desolating hand of power. The tyranny which, on every favourable moment, was breaking through all barriers, would have rioted without control, if, when the people were poor and disunited, the nobility had not been brave and free. So far as the sphere of feudality extended, it diffused the spirit of liberty and the notions of private right."

The desolation of Asia has been produced by the unceasing contests of her "nobility" for power, and, as in Europe, under the feudal system, the more "brave and free" the nobility, *i. e.* the more they set at defiance all law and order, the poorer and more dependent did the people become. What was needed in India was a despotism capable of enforcing peace. Such is the government now established there. It is the power of one, and the people are being gradually relieved from the oppression of the thousands and tens of thousands of petty tyrants, "the free nobility," who have plundered them in time past. It is singular that Mr. Hallam should be of opinion that the feudal system diffused the spirit of liberty, when the tendency to freedom was in the inverse ratio of the existence of feudalism. It could not be otherwise. Mr. Hallam admits that the peace and good order of society were not promoted by it.—(*Ibid.*) Freedom is the child of peace and order, while slavery owes its birth to war and desolation. The feudal system reduced the free people of France to the condition of vassals and serfs. *Nulle terre sans Seigneur*—no land without a landlord—was the established law of that country.



century from that period, France has no national history. At the accession of Louis VI.,\* his power was limited to the cities of Paris, Orleans, and Bourges, and the districts adjacent, and even the communication between them was cut off by the castles of barons, who waged war with each other, and even with the king, almost under the walls of his capital. By slow degrees, availing himself of the quarrels of the turbulent nobles—by a dexterous mixture of cunning and force—the king began the restoration of his authority. Under his successors we find a continuance of similar measures, attended by a constant increase of the power of the sovereign, and diminution of that of the nobles, until during the long and peaceful reign of Louis IX. we find the former equal to the united weight of the latter. Unity being now in some measure restored, we find the law taking the place of the sword. The right of making private war received a material check, and thus a state of comparative security was restored. The tendency to unity, and the rapid increase in the power of the sovereign, resulting from a long period of tranquillity, is found in the fact, that whereas Louis IX. was obliged to admit that no new law could be proclaimed in the territory of any baron without his consent, in the reign of his successor it was held that general ordinances ought to run throughout the kingdom, and that there were none so great that they could not be brought into the king's court, for default of right in matters that affect the sovereign. In this reign a still further check was given to private war, preparatory to its total abolition by Charles VI.

With the gradual increase of population and of wealth, that of the towns and cities also increased, and we find them co-operating with the king in the endeavour to limit the power of the petty sovereigns. To what extent they were successful in the eleventh century, it is difficult to say, but it is probable that the cases of enfranchisement were not numerous. The earliest charters are attributed to the reign of Louis VI., in the commencement of the twelfth century, and the chief towns in the royal domains received them during those of Louis VII. and Philip Augustus. With the restoration of order, the example

\* A. D. 1108.

was imitated by the chief barons, and by the close of the following century, they were general throughout France. It is not, however, to be supposed that they conferred powers or influence similar to those exercised by the people of cities in our time. M. Guizot says, in relation to them, "If we regard the affairs of the public in general—the state, the government, the country, the nation at large, we shall neither see nor hear any thing of burgesses; *they were mere ciphers—of no importance or consideration whatever.* Not only so, but if we would know in what estimation they held themselves as a body—what weight, what influence they attached to themselves with respect to their relations towards the government of France as a nation, we shall receive a reply to our inquiry in language expressive of deep humility and timidity; while we shall find their masters, the lords, from whom they subsequently wrested their franchises, treating them, at least as far as words go, with a pride and scorn truly amazing; yet these indignities do not appear, in the slightest degree, to provoke or astonish their submissive vassals. But let us enter one of their free cities, and see what is going on within it. Here things take quite another turn; we find ourselves in a fortified town, defended by armed burgesses. These burgesses fix their own taxes, elect their own magistrates, have their own courts of judicature, their own public assemblies for deliberating upon public measures, from which none are excluded. They make war at their own expense, even against their suzerain—maintain their own militia. In short, they govern themselves—they are sovereigns."\* In the present day, says M. Guizot, "the burgesses, in a national point of view, are every thing—municipalities nothing; formerly corporations were every thing, while the burgesses, as respects the nation, were nothing."† Their whole influence resulted from their united action, while no consideration was attached to the individual members.

The principal effect of these corporations appears to have been that of enabling the chief burghers to exercise the power wrested from the lords. The condition of the people at large does not appear to have been greatly improved. They had

\* Guizot's *Civilization in Modern Europe*, pp. 202, 203.

† *Ibid.*, p. 203.

changed masters. The aristocracy of the cities was not less oppressive than that of the castles.\* At the end of a very short period, says M. Guizot,† there was but little more security within these communities than there had been previously, in the relations of the burgesses with the baron. The people were ignorant, brutal, and savage, and the city government was invested with almost arbitrary power.

The reign of Louis IX., and that of his immediate successors, is marked by a rapid increase of trade and of wealth, the consequence of the increased security enjoyed throughout the kingdom. The royal authority was also rapidly increasing, and the barons who had but recently exercised sovereign power, making war and coining money at their discretion, now appeared on the stage as courtiers. They still, however, enjoyed immunity from taxation for themselves and their tenants of every description, and the resources of the crown were limited to its own domains; the consequences of which were, of course, that the expenses of the state must have weighed heavily upon that portion of the nation which occupied them. Availing himself of the power which had accumulated in his hands, we find Philip the Fair, in 1302, convoking a States-General, to which were summoned the deputies of the cities, and in 1314 obtaining, by their aid, the right to impose taxes throughout the kingdom.

The unity of the nation was now restored. For a century and a-half the sovereigns had had little to engage them but the restoration of their authority, every step to which was attended by an increase of the security enjoyed by the people, and consequent improvement of condition. Every step, therefore, prepared the way for a new one, and now we find an approach to equality, in the obligation to contribute towards the expense of maintaining security.

All that was now required was the continuance of peace, causing a diminished necessity for expenditure, for taxation, and

\* "La hierarchie n'y fut pas moins severe que dans les rangs elevés, et les seigneurs des donjons n'étaient pas plus respectés de leurs vassaux que les maitres de leurs apprentis. Les habitudes de domination passerent bien vite des chateaux aux ateliers: il y eut un despotisme de boutique a coté de la tyrannie des manoirs."  
—*Blanqui, Histoire de l'Economie Politique, tom. i., p. 266.*

† *History of Civilization, p. 229.*

for interferences with the operations of the people, and certain to be attended by a rapid increase of production, giving increased power to the government to maintain security, and to the people increased ability to demand it, and to aid the government in carrying into effect such laws as were necessary for its perfect establishment. The aristocracy, deprived of their usual war-like pursuits, would soon have found the advantage of peace in a constant increase of wealth, which would have been applied to the improvement of their estates, and by degrees their interests and those of their tenants would have been found perfectly in harmony with each other, and all would have united in setting limits to the power of the crown.

Unfortunately for France, such was not to be the course of events. The authority of the crown being now, as it was believed, firmly established, we find Philip the Fair and his sons interfering in the affairs of Flanders, Italy, Spain, and Germany, the effect of which was to increase expenditure, thereby rendering necessary heavy impositions upon the people, while the tendency on the part of the nobility towards peaceful pursuits was effectually prevented. The natural consequence was, that when, on the accession of the house of Valois to the throne, the succession was claimed by Edward III., the power of resistance was small, compared with what it would have been had the preceding half century been passed in peace, accumulating wealth, as had been the case with England. During the following 120 years, we find the kingdom desolated by the march of armies, by which friends and foes were indiscriminately plundered. Towns and cities were taken and pillaged, and the people reduced to the extremity of misery. Famine and pestilence followed in the train of war, and one-third of the population fell victims thereto. Deterioration of physical, was attended by a similar deterioration of moral condition, and when at length the peasantry, impatient of the oppressions to which they were subjected, broke out into revolt, it was attended by all the horrors that usually mark a servile insurrection. Their masters were put to the sword without mercy—their wives and daughters were ravished and murdered—and their castles were burnt. Some were impaled, while others were roasted alive.

The waste of war, while it enfeebled the people, equally

weakened the throne. The powerful nobles of the south, Armagnac, de Foix, and others, the dukes of Brittany and of Burgundy, and the princes of the blood royal, now resumed the powers that, in more peaceful times, had become vested in the king. The principle of division had again taken the place of that of unity, and the people were plundered by the armies of numerous petty sovereigns, contending for the administration of the affairs of the kingdom. At length, under the reign of the feeble Henry VI. the English were expelled, and Charles VII. attempted to re-establish order, but the power which had accumulated in the hands of the dukes of Bourbon and Anjou, of Burgundy and Brittany, in so long a period of disorder, was not easily restrained. The whole of his reign, and that of his successor, Louis XI., was a continued succession of disturbances, tending to prevent the productive application of labour. By means of fraud and force, the latter succeeded in restoring order; but at his death the public peace was again disturbed, by the pretensions of the princes of the blood, and the independence of the nobility. The skill of Anne de Beaujeu, and the marriage of Charles VIII. with the heiress of Brittany, did much towards restoring to the crown the authority that it had lost during the English wars; and had peace been preserved, it cannot be doubted that it would soon have had power to establish security throughout the kingdom, tending to a gradual improvement of the physical, moral, and political condition of the nation at large; but unfortunately both monarch and people were again tempted by the desire of establishing dominion *over others*, and thus lost the opportunity of obtaining freedom *for themselves*. During a period of nearly 70 years, we find Charles and his successors, Louis XII., Francis I., and Henry II., engaged in wars with their neighbours on every side. The plunder of Italy offered strong inducements to the *barbarians* of the north, and army after army was poured into that unfortunate country. The spoil thus acquired did little to compensate for the unceasing waste of treasure and of life at home, and at length we find the war brought home to France, and her finest provinces desolated by foreign armies, and the government only saved from ruin by a fortunate peace.

Occupied in the endeavour to acquire dominion in Germany

or Italy, the sovereigns had neither the leisure nor the means required to enforce order at home. Without money and without credit, they were unable to pay their troops, who therefore undertook to pay themselves, ravaging the kingdom, pillaging towns and cities, murdering the men and ravishing the women. Their leaders acquired fortunes, and gradually established themselves in possession of the strong places of the kingdom. Enjoying all the lucrative offices and exercising power in the name of the king, they gradually extended their possessions, laying the foundation of a new feudal nobility in the persons of the Guises, the Montmorencis, &c. The people, as in all cases of divided power, were plundered by all parties. They enjoyed no security for person, property, or opinion. Their physical condition was rapidly deteriorating, and the necessity imposed upon so many to live by plunder was rapidly deteriorating their moral condition, and the extent of demoralization was shown in the horrors attendant upon the persecution of those who chanced to differ from them in their religious opinions. Towns were plundered and burnt. The crops of the farmers were ruined. Their houses were destroyed. Their wives and their daughters were violated, and themselves put to the sword, or reserved for the executioner.

The whole of this period is marked by the steady growth of the power of *the few*, and the diminution of that of *the many*, and the effects became visible when, at the death of Henry II., the crown passed in succession to his three incapable children. From that time to the close of the century, the history of France is but a history of the wars of the Guises and the Condés, the Montmorencis and the Navarres. The power of the king ceased to have existence. The Duke of Guise was absolute master of Champagne, while the King of Navarre was as firmly established in Guienne. The Duke of Mayenne controlled Burgundy, while Montmorenci was uncontrolled in Languedoc, and Condé in Poitou.

The governors of towns, and cities, and provinces, exercised unlimited authority, imposing taxes upon their subjects, and transit duties upon all commerce. Their soldiers depended upon them for pay or plunder, and were ready to obey all their orders. The inhabitants enjoyed no protection, and could obtain

no justice, except at their hands. All the horrors of the feudal system were revived.\* Such were the consequences to the people and to the king, of the fruitless efforts of preceding sovereigns to extend their dominions, instead of establishing peace and security at home. By the latter course the former would have been enabled to employ their labour advantageously, thereby improving their means of production, and increasing their wealth, and their power to give to the king that support which was necessary for restraining the petty tyrants that, during the wars with England, had bearded the one and trampled upon the other.

Peace was at length restored, and Henry IV. found himself in possession of the throne, obtained, however, at the cost of enormous sacrifices by his subjects, from the extent of which some idea may be formed of the power of the chiefs who occupied the various portions of the kingdom. M. de Sismondi gives† a copy of a paper drawn up in the handwriting of Henry, showing the payment of above 32,000,000 of livres to various persons, to induce them to relinquish possession of the places occupied by them. Of this sum the house of Guise received about 10,000,000, the Duke de Mercœur about 4,000,000, the Dukes of Joyeuse and Brissac, 3,000,000, Villars above 3,000,000, &c., to be raised by taxes, at a time when a large portion of the people were reduced to the last extremity of misery and wretchedness.

Order being established, we find, under the administration of Sully, a gradual reduction of taxation, tending to improve the condition of the people and to give stability to the throne. The reign of Henry IV. was, however, too short to produce any material effect, and it is doubtful if its prolongation would have been attended with any great improvement, as he was about to plunge the nation into war at the moment when his life was cut short by Ravallac. At his death the turbulence of the nobility produced new disturbances, and their ability to do so may be judged of from the fact, that the Duke of Epemon held no less than five governments, besides several towns. Pensions and

\* Sismondi, *Histoire des Français*, tom. xx., p. 17.

† *Ibid.*, tom. xxi., p. 439.

governments were distributed as the only means of maintaining order, which was, however, only temporary. In 1614, the princes of the blood and the chief nobility again resorted to arms, and again it became necessary to purchase quiet at the expense of increased taxation. At their desire, the States-General was summoned, and here it appears for the last time previous to the revolution. For three centuries this body had appeared occasionally on the stage, preserving something of the *form* of free government, but nothing of the *spirit*. It represented not *the nation*, but the nobles, the clergy, and the aristocracy of the towns—the privileged classes—and therefore it had no power except to divide and distract. "If the king was stronger," says M. Guizot,\* "their humility and docility were extreme; if the situation of the monarch was unfortunate—if he really needed the assistance of the States, they then became factious, either the instrument of some aristocratic intrigue, or of some ambitious demagogue. Their works died almost always with them; they promised much, they attempted much—and did nothing. No great measure, which has truly had any influence upon society in France—no important reform, either in the general legislation or administration, ever emanated from the States-General." It was impossible that it should do so, while the population of France was divided only into the highest and lowest classes—the one enjoying power and privilege, and the other totally destitute of political rights—enjoying no security either of person or of property. The effect of this is seen in the composition of the States-General now summoned. The third chamber, that of the commons, consisted chiefly of lawyers and nobles, returned by their obedient dependents. The continuation of such a body could have had no other effect than that of continuing disunion and distraction throughout the kingdom—of perpetuating the power of the privileged classes, and the servitude of the people. It is usual for writers to lament over the fallen liberties of France, crushed by Richelieu and Louis XIV., without reflecting that it was only *the form* that passed away, and that *the spirit* existed under the latter to a greater extent than it had done for centuries. France had

\* History of Civilization, p. 307.



known no liberty but that of plunder, nor was it possible that freedom could take root until there existed power to compel the observance by all classes of the rights of each other.

The half century that followed the death of Henry IV., was, to a considerable extent, peaceful, and hence we find a gradual increase of the power of the crown, which, under Louis XIV., was fully established. Laws were now made for the whole kingdom, and the government possessed the means of enforcing their observance. Security existed at home, and men could apply their labour advantageously. Population and wealth increased rapidly, and would have continued to do so, had that monarch not been actuated by the same thirst of power displayed by so many of his predecessors. During the early part of his reign, he had the support of the people, so far as they possessed the means of affording it, because they felt that to him they were indebted for security from the oppressions of the petty tyrants who had so long reigned over them. Towards its close he became unpopular, because war increased his necessities, and the people found, in the creation of hordes of officers, holding power from the crown, a return of the system from which they had been, at an earlier period, relieved by him.

From his death, in 1715, to the commencement of the Revolution, a period of 73 years, France was engaged in only three wars of importance, viz. that of 1740, which terminated in 1748; that of 1756, which terminated in 1763; and that of 1778, closed by the peace of Paris, in 1783. During this period the nation enjoyed internal peace, and the consequence was, a rapid increase of population and of wealth. The former, which, in 1725, was only 15,000,000, rose, in 1785, to 25,000,000. The increase in the latter may be judged from the fact, that the imports into the kingdom in 1787, exceeded 600,000,000 of francs.

With this increase of wealth, we find the rise of a new political power—that of the people. The *tiers etat* consisted no longer of a mere borough aristocracy, but of the people at large, improving daily in their physical condition, and becoming daily more and more capable of estimating and of asserting their rights. They could no longer bear in silence the oppressive contributions levied for the purpose of supporting an immense

army of nobles and churchmen, the hangers-on of the court, nor could they admit the justice of regulations which compelled the poor to pay taxes in money and in labour, from which the rich were exempt. The feudal rights, by virtue of which the lord could compel the people to grind their corn, or to press their grapes, at his mill, or to bake their bread at his oven, were now questioned, as was the propriety of game laws, under which herds of deer and wild boars were permitted to go at large throughout extensive districts, to the danger and injury of the farmers: as well as numerous other privileges. The restrictions imposed for the maintenance of these claims of the privileged orders prevented the people from applying their labour productively, and the expenditure of the government consumed a large portion of what was produced, thereby greatly retarding the accumulation of wealth. The owner of landed or other capital, was consequently enabled to demand *a large proportion* of the whole amount produced, thus preventing any rapid improvement in the physical or moral condition of the people, the precursor of political improvement. It was estimated, that if an acre produced £3 2s. 7d., the state took £1 18s. 4d., leaving £1 4s. 3d. to be divided between the landlord and labourer, the former of which took 18s., or three-fourths of the net product. The revolution, therefore, found predial servitude still existing in many parts of the kingdom. In several of the provinces the lord retained the right to follow his serf, and to demand *taille* upon his goods, wherever they might be found. The exercise of this right was abolished in relation to all the royal domains, by Louis XVI., and he regretted his inability to enforce upon others the same course.

The rights of the people were now freely discussed, and the necessity of their recognition became obvious to many of the most distinguished men in France, among others to Turgot and Malesherbes, both of whom advocated important changes in the system. The influence of those interested in the existing abuses was, however, sufficient to prevent the adoption of peaceful remedies, and the consequence was the revolution, when the few, so long accustomed to lord it over the many, found that all power had passed out of their hands. Those who had been slaves, now became masters, and revenged themselves

upon their oppressors by the destruction or confiscation of their property, and by every species of personal violence. The destruction of wealth consequent upon the revolution and the wars which grew out of it, reduced again a large portion of the population to indigence, and paved the way for the re-establishment of a despotic sovereign, in the person of Napoleon. His elevation was followed by internal peace, accompanied by a slow improvement of the condition of the people, who became, at length, impatient of a system that made it necessary to sacrifice their fortunes and their lives in foreign wars, waged for the gratification of the ambition or vanity of an individual. At the restoration of the Bourbons, it was obvious that the people would require a government in the management of which they could participate, and hence the grant of the charter. The long duration of peace produced a constant increase of wealth and improvement of condition, enabling them better to understand and more fully to defend their rights; and when Charles X. undertook to set up his will in place of that of the nation, it required but a slight effort to hurl him from his throne.

The revolutions of 1789 and of 1830, were the consequence of the increase of wealth and the general improvement of condition. With every increase in the ratio of capital to population, the owner of landed or other capital, although obtaining an increased *quantity* for its use, has, as we have shown, a diminished *proportion*. Increase of production is attended with a steady improvement in physical and moral condition, and a steady approach to general equality of condition, rendering it daily more and more necessary for the proprietor of capital, if he desire to maintain his relative position in society, to exert his talents in such manner as to render them productive, while there is a daily increase in the reward of talent of every description, offering the strongest inducements thereto. The natural consequence is a community of interest among all classes of society, and the ranks of the people are therefore constantly recruited from those of the aristocracy. The power of the former is daily increasing, while that of the latter is as regularly decreasing. Such was most strikingly the case in France during the latter half of the eighteenth century. Such has been, and such must be, the consequence of every increase in the

productive power of a nation, and we may, therefore, safely predict what must be the future course of political power in France.

At present it all centres in Paris, and in the hands of the king. He appoints prefects and mayors, and officers innumerable,\*—he regulates the taxes of cities and towns,†—the repairs of roads and the construction of canals. Nothing can be done without the interference of the central government.‡ In like manner are the affairs of individuals subject to control. The owner of a mine cannot work it without permission,§—the number of persons who can be employed in certain pursuits is regulated, while taxes are demanded in payment for brevets permitting individuals to employ themselves in trade or commerce. The government is a manufacturer: it is the great coach-master of the kingdom: it supports theatres: it main-

\* At the revolution, the local governments were, as far as possible, abolished, and the power of those bodies absorbed by the central government. The people have no control over the election of even the mayors of their communes, who, to the number of 37,021, are appointed by the king. The prefects of the departments—the sub-prefects of the arondissement—the justices of the peace—are appointed by the king, or his ministers. The paid functionaries holding office at the pleasure of the king, amount to 307,588,|| being more than double the number of the electoral body. The possession of office, in many cases, gives the right to vote, independently of all other qualification, and the mayors alone constitute nearly one-third of the voters.

† Not only cannot a commune determine its own expenses without the consent of the minister, or one of his deputed functionaries, it cannot even erect a building, the cost of which shall have been sanctioned, without the plan being adopted by a board of works attached to the central authority.—*H. L. Bulwer, Monarchy, vol. i., p. 262.*

‡ The system is described by Mr. Bulwer as “a perpetual series of links—the mayor in the commune, the sub-prefect in the arondissement, the prefect and his council in the department, all connecting the administration of the village with that of the empire; and lastly, in the very circumstance where men may be supposed most free, viz. the expenditure of their own money, they are subject to a control, which is sometimes advantageous in preventing their extravagances and mistakes, but which can never form their judgment.”—*Monarchy of the Middle Classes, vol. i., p. 195.*

§ “If, politically, this country, [the United States,] does not enjoy the benefits of administrative union, its industry is not, on the other hand, under the control of an exorbitant centralization, in relation to miserable details, such as the construction of sewers, the opening of mines, &c. It is not necessary to travel two hundred leagues to solicit permission, and obtain the signature of a minister overloaded with duties, and harassed with parliamentary cares.”—*Chevalier, tom. ii., p. 201.*

|| M'Gregor's *Resources and Statistics of Nations*, vol. i., p. 240.

tains depots of stallions. It is all in all. To maintain itself in the enjoyment of its powers, it has immense armies and hosts of *employés*, for whose support large taxes are raised. The people are impeded in their exertions to produce the commodities necessary for their subsistence, while a large portion of what are produced is required for the use of government, and thus in every way is the growth of capital impeded.

With the continuance of peace, however, the change must be rapid. Every day adds strength to the popular power, because each day sees an increase of capital, attended by an increase of production. The effects of this are now seen in the demand for an extension of the right of suffrage, now exercised by about 130,000 persons.\* That demand will be followed by others, until at length the people will require to be permitted to manage their local affairs without the intervention of a central government—to engage in trade or commerce—to work their mines—to express their opinions freely†—and to travel when and where they please, without the necessity for asking a passport. Each step towards freedom will give them new power to make the next one, until at length the right of self-government will be established. Such will be the effect of peace, increase of wealth, increased production, and improved physical and moral condition.‡

\* "The electors consist of those persons who pay 200 francs, (\$37 50,) of *direct taxes*—of the members and correspondents of the Institute, and of the retired officers of the army and navy, enjoying pensions of not less than 1200 francs. The number inscribed is 170,164, of whom voted at the last election 129,404. There is, therefore, one elector for 192 persons, and one voter for 253 people."—*Almanach de France*, 1836, p. 75.

† The number of persons arrested in France, in a single year, since the Revolution of 1830, for political offences alone, is estimated to have amounted to the number of 20,000.

‡ "It is not by means of war that states are rendered fit for the enjoyment of constitutional freedom; on the contrary, whilst terror and bloodshed reign in the land, involving men's minds in the extremities of hopes and fears, there can be no process of thought, no education going on, by which alone can a people be prepared for the enjoyment of rational liberty. Hence, after a struggle of twenty years, *begun in behalf of freedom*, no sooner had the wars of the French Revolution terminated, than all the nations of the continent fell back into their previous state of political servitude, and from which they have, ever since the peace, been qualifying to rescue themselves, by the gradual progress of intellectual advancement."—*England, Ireland, and America*, p. 44.

If, on the contrary, peace be disturbed—if the passion for glory be again found leading the people of France to Moscow or the Pyramids—the reverse must be the case. The productive power must be diminished, and taxes must be increased. The political power of the many must diminish with the one, while that of the few must increase with the other.

We have endeavoured, on various occasions, to show that, if man were governed by no other motive than that of self-interest, it would lead him to obey the command to do unto others as he would have others do unto him, and have shown that the physical and moral evil of the various nations of the world, is clearly traceable to their own disobedience—to their disregard of the rights of others. In the case of France, we have a strong exemplification of the political disadvantage that results from the same cause, affording a warning to the world at large, that if they wish an improvement of their political condition, the price at which it is to be purchased is a strict and undeviating regard for the rights of others. Charlemagne and the French people wasted their energies in attempting to establish their dominion over Germany and Italy, and the consequence was, that the sons of Charlemagne were stripped of power, and the people became slaves. Under Philip of Valois we find the same effort and the same result. The throne of France was occupied by an English sovereign, and the people were reduced to the last extremity of misery.

Under Charles VIII. and his two successors, we find it repeated, and followed by a similar degradation of both sovereign and people, whose rights were trampled upon by petty tyrants, the natural growth of a state of war. Undeterred by the example of his predecessors, we find Louis XIV. wasting the energies of the nation in the attempt to extend his dominion, and, instead of showing that true glory was to be acquired by the application of talent and of capital to the improvement of the condition of the people, he prevented improvement by employing large armies in plundering and laying waste Holland, Germany, Italy, and Spain. Had he pursued a different course, tending to the gradual amelioration of physical, moral, and political condition, Louis XVI. would not have lost his head. Na-

poleon followed in the same course, and closed his career at St. Helena. Charles X. trampled upon the rights of the Spanish people, and ended his life in exile. Louis Phillippe maintains large fleets and armies. Algiers and Switzerland—Mexico and Buenos Ayres—Portugal and Chili—are in turn invaded or menaced. He desires power. To accomplish that object, the people are loaded with taxes and restrictions, while the youth of France are compelled to spend the most important portion of their lives in barracks, instead of fitting themselves to perform their parts in life.\* The power of production is diminished. Capital is acquired with difficulty. Physical and moral improvement is slow. The people are poor, turbulent, and fond of glory.† His life is constantly at risk, and the succession of his son is doubtful. Were he to take warning from the past, and devote his energies to diminishing the burthens of the people, and the restrictions upon their actions, the increase of wealth would bring with it rapid improvement of condition, and he would find himself safely established on the throne. Divesting himself, by degrees, of the power now exercised, he would be subject to less responsibility. The machine of state would gradually acquire power to move of itself, instead of requiring, as at present, the constant superintendence of the chief engineer. The people would acquire the habit of managing their own affairs

\* Nothing tends so much to maintain the warlike feeling in France as the small cost at which the rulers can make war. Were it once established that the state is bound to pay men for their services at the same rate as individuals, the tax-payers of France would find it expedient to diminish the army. With every such diminution there would be an increase of production and of the labourer's *proportion*, manifested by a rise of wages; and thus every year the cost of maintaining armies would be increased, and the disposition to maintain them would be diminished. Nothing is necessary to secure peace throughout Europe but the abolition of the right of the state to claim the services of individuals at less than the ordinary rate of wages.

† "Dans ce pays [France] abonde une jeunesse passionnée, pleine d'audace et d'ambition, prête à s'exalter pour tous les fantômes qu'on lui présente, avide de mouvement et de dangers, tourmentée du besoin des fortes émotions, et les cherchant partout où il peut s'en rencontrer, jusqu'à dans les conspirations et la guerre civile. Dans ce pays, une douzaine de métamorphoses gouvernementales, accomplies dans le cours de quarante ans, ont détruit le respect dû au pouvoir, ont déprécié l'expérience, ont semé l'inquiétude et l'agitation dans les âmes.—*Chevalier, Lettres sur l'Amerique du Nord, tom. i., p. 215.*

in their own way. The system of self-government would be established, while the form of monarchy would remain; and if at any future time it should be deemed necessary to alter the form, the alteration would be effected without lessening the public tranquillity.\*

\* As this sheet is passing through the press, we meet with the following passage, confirming the views we have submitted to the reader.

"It is a singular and a striking fact, but a fact about which there can be no dispute, that the French always occupy themselves most about politics, and prepare to introduce changes and effect revolutions, in the days of their *prosperity*. When trade is bad and commerce low, when manufactures are in a state of stagnation, and public credit has greatly fallen, when the working classes are starving, when the looms are unemployed, when the shops are deserted, and misery and want are staring the population in the face, then the French rouse themselves, cry for '*order*,' support the government, put down anarchy, and rally round those who are the conservatives of the day. Soon trade improves, because confidence returns—soon public credit rises, because private individuals feel assured—and in a very little time the poverty and wretchedness of the time past are forgotten in the affluence and comfort of the hour. That moment is precisely the one when the French turn to politics."—*Blackwood's Magazine*, April, 1839, p. 438.

Every increase of security, producing an increase of the productive power, necessarily produces a demand for an extension of political rights—for further security in the enjoyment of the rights of person and property. The tendency thereto is not greater in France than in England, but the unyielding character of the government has made it necessary to proceed by revolutions, causing a waste of life and of property: diminishing security, and consequently diminishing production. The many feel the effect of internal discord in a diminution of the power of obtaining the necessaries of life, and the few are, consequently, enabled with the restoration of "*order*," to re-enter upon the enjoyment of many of the privileges, the pressure of which caused the outbreak. Such would not be the case were the change gradual, as it has been, and probably will continue to be, in England.



## CHAPTER IV.

OF THE INFLUENCE OF WEALTH ON THE POLITICAL CONDI-  
TION OF THE PEOPLE OF  
DENMARK.—NORWAY.—GERMANY.—POLAND.

IN the early period of DANISH history we find a free people, under powerful sovereigns, constantly warring with their neighbours, for plunder and dominion. Under Canute, in the eleventh century, England was subjugated. In the following century, Valdemar was the most potent monarch of the north, and his empire was more extensive than that of any who had occupied the throne since the division of that of Canute. The usual effect of long continued wars is here found in the constantly increasing power of the nobles, and diminution of that of the people and sovereign. By degrees the fiefs of the former had become hereditary, and they had obtained immunity from contributions for the public service. Following their example, the prelates and monasteries had obtained for themselves and their vassals, grants of similar privileges, the effect of which was to diminish the number of those who were liable to contribution, and thus increase the burthens upon the free peasantry. The latter, originally independent proprietors of the soil, and having an equal suffrage with the highest nobles, were now compelled to become vassals to the neighbouring lord, or bishop, sinking into hopeless bondage, while the power of the king was eclipsed by that of the nobility and priesthood. After a succession of civil wars, during which agriculture was neglected, and commerce destroyed, the power of the latter was fully established, while the king retained scarcely a shadow of authority.

Continual wars, foreign and domestic, prevented the restoration of security. Sweden was subjugated, and treated as a conquered province, but the condition of the people of Denmark was constantly deteriorating, and at the termination of the union of Calmar, the nobles possessed the power of life and

death over their vassals. The accession of the house of Oldenburgh, which followed immediately after, was marked by an admission of the rights and privileges of the aristocracy, whose consent was made necessary to every important act of sovereignty.

With the exception of the first few years, the reign of Christian III., which endured above a quarter of a century, was peaceful. His successor, Christian IV., was for a short period involved in the disastrous thirty years' war, by which Germany was desolated, but withdrew from it, and afterwards, although courted by both parties, persisted in the maintenance of peace. His reign was tranquil, and he was enabled to devote his attention to lightening the burthens of the people, to the promotion of agriculture, the arts, and commerce. The effect of this long continuance of peace was shown in his adventuring the proposition to abolish the feudal militia; \*to establish a general system of taxation, by which all would contribute in the ratio of their interests; and to farm the crown lands to the highest bidder, instead of leaving them in the hands of the nobles, exempt from contribution. The attempt was unsuccessful, but the fact of it being made, is evidence of the change produced by peace and increased production, in the relative positions of the sovereign and people on one side, and the nobles on the other.

At the accession of Frederic III., the Senate, representing the aristocracy, endeavoured to impose restrictions that would have reduced him nearly to a level with the Doge of Venice; but the attempt was successfully resisted, the king being seconded by the deputies of the clergy, burghers, and peasants, who were greatly discontented with being compelled to bear the whole burthen of taxation for the support of the recent defensive war with Sweden. Another attack from that power tended to increase this feeling, and enabled the king in 1660, in a single day, and without shedding a drop of blood, to put an end to the powers so long exercised by the aristocracy. The nation, glad to escape from the domination of numerous petty tyrants, hastened to confirm the authority assumed by the king, who was declared absolute sovereign. All property now became liable for contributions, and thus it became the interest of all

parts of the nation to avoid war and diminish expenditure. Here was a great approach to equality of rights.

The maintenance of peace would have secured a rapid change in the political condition of the people, but occasional wars prevented that improvement in their physical and moral condition that would otherwise have taken place, and it was not until 1702 that the first step towards the abolition of feudal slavery was adopted. From the accession of Christian VI., in 1730, until the death of Frederic V., in 1766, the kingdom enjoyed uninterrupted peace, and made great advances in prosperity, the advantage of which was seen in the abolition of numerous privileges in the form of monopolies of salt, wine, &c., giving to the people a gradually increasing freedom of trade. The reign of Christian VII. was marked by the final emancipation of the enslaved peasantry, and the free toleration of religious opinions. Under his successor the kingdom was rapidly advancing in improvement, but unfortunately it was forced into a war with Great Britain and alliance with France. The effects were most disastrous, but peace at length came, and 20 years afterwards we find established a change in the *form*, which must lead to further changes in the *spirit* of government. Each province has now its local assembly, in which all classes of the community are represented. The proportions in one of them are as follows:—Copenhagen elects 12 representatives; the other towns 11; the landholders 17; the peasantry 20; and the king nominates 6.\*

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\* The following passage tends to show the manner in which is established popular control over the actions of absolute monarchs, as well as the disadvantage that results from the yet limited amount of freedom enjoyed by the people, and from the constant supervision and control of the officers of government, even when engaged in performing those offices which, if performed by the people themselves, would be highly advantageous.

“When Frederic III., in 1660, obtained this absolute power, he established five colleges, or departments for the public business, of which the presidents were the ministers for the affairs under each department. This was in fact establishing a check upon his own absolutism from its very birth, and was virtually a representation of the various interests of the people, by enlightened men, who would abandon office rather than principle. The members of these colleges—the system remains, with few alterations, to the present day—are necessarily taken, without respect to birth or rank, from among those qualified to carry on the public affairs intrusted to them; and, in fact, the majority of these colleges do not, by birth, belong to the

All the advantages possessed by Denmark were enjoyed in a greater degree by NORWAY, in consequence of her secluded position, and the effect has been exhibited in the establishment of one of the freest governments in the world. The change of *form* that

class of nobility. All state affairs are considered, all state measures resolved upon, all final decisions in law and legislation determined upon in these colleges. The steady, impartial administration of law, even when government is a party, as in state prosecutions, is undeniable. The law may be faulty, but its administration is good. Their power extends even to the appointment to all offices under government, with a considerable tendency to impartiality, and preference of merit or long service—for if the crown were to exert its theoretically absolute power, by appointing any other candidate, or in public affairs adopting any other measure than the one recommended by the college under which the office or business stands, there would be an alarm, an outcry, a stoppage in the ordinary course of public affairs. This check has grown in the course of two centuries into a power altogether effective; and public opinion has its influence, although not directly by a representative system, upon all the acts of government. Cabinet orders, issuing from the kingly power direct, and without the intervention of the ministers and college to which the business belongs, are unheard of, and the monarchy which juridically and in theory is the most unlimited and legitimately absolute in Europe, is practically moved by a machinery more democratic, that is, less exclusively in the hands of one class alone in the community, than that of our own. This is the key to the singular phenomenon that, under a total want of political freedom, Denmark is in advance of many countries which enjoy it, in her liberal and enlightened institutions. Arrangements for the general education of the people were commenced nearly a century ago—normal schools for educating schoolmasters, and training them to the art of teaching, have been long established—the punishment of death has been abolished nearly thirty years—the administration of justice has been improved by an effective system of superintendence and revision by the superior courts of all the proceedings and decisions of the inferior, whether appealed from or not by the private parties—an improvement much wanted in our courts—and the institution of parish courts of arbitration, in which all civil actions must be entered, and in which arbiters decide between parties in the first instance, is the greatest improvement which any modern nation has made in its ancient social machinery. But it seems to be with nations as with individuals—it is not what is done for people, but what people do for themselves, that acts upon their character and condition. From being altogether passive, and having no voice in their own affairs, the Danish people, with all these fine institutions of their government, are in the same state nearly as in 1660. In the practice of the useful arts, in activity, industry, and well-being, they are two centuries behind those nations, with whom in numbers, and natural advantages of soil, climate, and situation, they may be fairly compared, the Scotch, the Dutch, or the Belgian people. \* \* \* The extreme state of pupillage in which this people is kept, not only extinguishes all industry and activity, but from the host of functionaries who must be employed where a government undertakes to do every thing, and regulates and provides in matters which a people can best

took place in 1815, was the natural consequence of previously existing freedom in *the spirit* of government, as the reader will see by the following extract.

"There is not, probably, in the history of mankind, another instance of a free constitution, not erected amidst ruins and revolutions, not cemented with blood, but taken from the closet of the philosopher, and quietly reared and set to work, and found to be suitable, without alteration, to all the ends of good government. The reason of this apparent singularity is, that all essential parts of liberty were already in the country. The property was in the hands of the whole body of the people. The ancient laws and institutions affecting property were in full operation, and were conceived and administered in the very spirit of liberty. As far as regards property, those laws and institutions left nothing for the most liberally constituted assembly to legislate upon. As far as regards personal rights, the mild and enlightened administration of Denmark, although under an arbitrary form, had left few general grievances to be redressed. There was nothing in the condition of the people, the state of property, the civil or religious establishments, which did not fit-in with a free constitution, in which legislative power was vested in the people."\*

*Such changes* in the form of government are the result of changes of opinion among the people, and the evidences of moral and physical improvement. Their object, as we have before said, is to secure the permanence of the existing spirit of government, by placing it beyond risk from changes in the character of the ruler. They are beneficial, because they are the record of improved modes of feeling and thinking; but when it is attempted to establish self-government among a people wholly unprepared for it—when the legislator goes in advance of the people—the only effect that is produced is to

manage for themselves, it consumes all their capital, and leaves them nothing to be active and industrious with. \* \* \* The total number thus supported by a public of 1,223,807 individuals, is 121,444 persons; or every ten individuals have to support one, who is not engaged in productive industry, but is a public functionary, or a pauper living upon their productive industry."—*Laing's Tour in Sweden*, in 1838, p. 11.

\* *Laing's Norway*, p. 480.

establish anarchy as a prelude to arbitrary power. Such was the case in France. Such has been the case in South America. How far in the present case the change has been beneficial—how far the change of form has tended to an increase of the spirit of freedom, by diminishing the necessity for interfering by means of taxation with the free application and enjoyment of the produce of labour—will be seen by the following statement, by the author we have already quoted, one of the most agreeable and intelligent travellers of our time.

“The government of Denmark is purely monarchical, that of Norway more democratical than any other constitution in Europe; and twenty-one years ago both countries started with an equalised public debt, and equally exhausted by the calamities of war. On the separation of Norway from the Danish crown, the latter justly claimed that a fair proportion of the common public debt of the two countries should be taken over by Norway. This claim was sanctioned by the allied powers; and as it was virtually a recognition by them of Norway, as a self-existing independent state, and not a mere province or part of Sweden, and was in itself just, it was acceded to by the Storting. The Danish government had no reason to make their claim for less than Norway’s fair proportion of the common debt, adjusted according to the respective means and resources of the two countries. Thus both nations started twenty-one years ago, with equal debt in proportion to their property and population; but Norway with the disadvantage of having to form everything required in an independent state, all the head departments of its former government having been concentrated in Copenhagen—Denmark with the advantages not only of superior climate, soil, and capital, but of having all civil and military establishments already formed. What have been the results of legislation on these two distinct principles of government, after a course of twenty-one years of uninterrupted peace? Norway has paid off all her debt except 3,127,771, Norwegian dollars—due principally within the country, and not redeemable; has formed military, naval, and civil establishments suitable to her condition; has regularly diminished the taxes in proportion to the reduction of her debt; and in the one-and-twentieth year, has been able to take off the direct

taxes on property altogether—finding the indirect taxes sufficient to cover the expenditure, with a sufficiently large surplus. Denmark, during the same period, has augmented her public debt to about, it is conjectured—for on the monarchical principle these matters are not laid clearly before the public—the sum of 127,000,000 of Danish rix dollars; has every year had an under balance, or excess of expenditure above income of 1,500,000, and at the very time the Norwegian Storting was paying off the last of its foreign loans and debts that were redeemable, and relieving the people from all direct taxes on their land;—Baron Rothschild arrived in Copenhagen. These are striking results from legislation lodged entirely with the people, and legislation lodged entirely with the crown.”\*

The principle of divided action has endured longer in GERMANY than in any other portion of Europe. A constant succession of wars reduced the people to a state of poverty and wretchedness, while the sovereign authority became vested in a multiplicity of little princes, each exercising the power of making war and peace, of coining money, and of life and death over his subjects. The nominal head of the empire enjoyed, as such, no authority. His situation was similar to that of Hugh Capet and his immediate successors. During the last century there has been a constant tendency to unity, and with it there has been an equally strong tendency towards peace. Austria and Prussia have gradually grown into powerful monarchies. Their disputes tended to keep alive the habit of internal discord, but from the peace of 1763 to the French Revolution, peace was almost undisturbed. Wealth began to accumulate, and there was a gradual improvement in the condition of the people. Austria entered early into the war with France. Her people were impoverished by a succession of campaigns. Prussia, on the contrary, after those of 1792–93–94, abstained from it until 1805, so that she enjoyed almost forty years of peace and prosperity. The consequence thereof is seen in the growing importance of the people, all of whom are free, exercising the right of managing the affairs of their own communes

\* Laing's Sweden, p. 346.

and districts, by means of representatives chosen by themselves. The form of an absolute monarchy remains, yet Prussia enjoys a system more free than that of France which is more liberal in appearance, and the tendency in the former to the increase of the democratic power is more rapid than in the latter, because security is more fully enjoyed, labour is more advantageously employed, and there is a more rapid increase of population and of capital. The people of the former desire peace, because they know war only by the bitter fruits of the campaigns of Jena and Friedland, of Leipsic and Dresden. The people of the latter are fond of war, because they associate with it the idea of glory, and of the plunder of Italy, Germany, and Spain. The former extends its influence by gradually uniting the lesser powers in the abolition of all restraints upon the freedom of internal trade, rendering each part of Germany necessary to the other, and thus destroying the possibility of future wars, while the latter extends its conquests over barren regions in Africa, leaving its own soil uncultivated for want of labour and capital thus wasted.\* The action of the former for the last twenty years has been steady, because of the daily increasing necessity for consulting the feelings and wishes of the people at large, while that of the latter has been unsteady because influenced by the feelings and wishes of a comparatively small portion thereof.

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IN POLAND, the principle of divided action was fully carried out. The sovereign was powerless and the people were slaves. Each petty tyrant exercised kingly power over those beneath him. The kingdom was torn to pieces by civil dissensions, and there could be no hope of improvement unless sufficient power could be concentrated in the hands of an individual to enable him to enforce order and restore security. Under such circumstances it is probable that the partition of the kingdom, by which the several portions came under a regularly organized government, afforded more prospect of improvement, physical, moral, and political, than the continuance of an independent government.

\* See vol ii., p. 174.



In the fifteen years that elapsed between the close of the war and the breaking out of the revolution in 1830, the Kingdom of Poland had made rapid advances in wealth, and there was little reason to doubt that it would continue to do so. Had the attempt at revolution been successful, power would again have fallen into the hands of a turbulent aristocracy, compared with whose government even the despotism of Russia was liberal. The latter maintained order, enabling men to apply their labour productively, while under the former there was no security for either person or property, and, consequently, no inducement to exertion.

It is not extraordinary that men who themselves enjoy liberty and appreciate its blessings, should cheer on a people fighting to free themselves from oppression. If, however, they were fully convinced that a continuance of peace could not fail to be productive of physical and moral improvement, leading inevitably to improvement of political condition, they would hesitate before they would counsel resort to arms. When revolutions are thus attempted, if the movement be premature, failure is accompanied by vast destruction of property, tending to throw increased difficulty in the way of future improvement. If it be not so, then must the people be enjoying such an extent of liberty as enables them to accumulate wealth and improve their condition, moral and physical, and their friends may feel assured that every hour brings them nearer to improvement of political condition, and increases their power to demand and obtain it: peaceably if they can—forcibly if they must.

## CHAPTER V.

OF THE INFLUENCE OF WEALTH ON THE POLITICAL CONDI-  
TION OF THE PEOPLE OF  
HOLLAND.—ENGLAND.—SCOTLAND.

THE early condition of the people of HOLLAND is thus described by Pliny the naturalist:\* “There,” says he, “the ocean pours in its flood twice every day, and produces a perpetual uncertainty whether the country may be considered as a part of the continent or of the sea. The wretched inhabitants take refuge on the sand-hills, or in little huts, which they construct on the summits of lofty stakes, whose elevation is conformable to that of the highest tides. When the sea rises, they appear like navigators; when it retires, they seem as though they had been shipwrecked. They subsist on the fish left by the refluent waters, and which they catch in nets formed of rushes or seaweed. Neither tree nor shrub is visible on these shores. The drink of the people is rain-water, which they preserve with great care; their fuel, a sort of turf, which they gather and form with the hand.” Such was the land occupied by the Frisians, and to its character did they owe their security from foreign domination.

In the second century of our era they appear to have commenced the formation of dikes, and by slow degrees to have brought into cultivation the land thus reclaimed from the sea. With the increase of population they are found forming with the tribes settled on the limits of the German Ocean, an association known by the title of the Saxon league. The rapid growth of wealth among these people, thus secured by the character of their country from the inroads of Roman armies on one hand, and of barbarians on another, is shown in the following passage, comparing their condition with that of the occupants of the fertile lands of France.

“Paganism not being yet banished from these countries, the

\* Quoted by Grattan, *History of the Netherlands*, p. 16.

obscurity which would have enveloped them is in some degree dispelled by the recitals of the monks who went among them to preach Christianity. We see in those records, and by the text of some of their early laws, that this maritime people were more industrious, prosperous, and happy, than those of France.\* The men were handsome and richly clothed; and the land well cultivated, and abounding in fruits, milk, and honey. The Saxon merchants carried their trade far into the southern countries. In the meantime, the parts of the Netherlands which belonged to France, resembled a desert. The monasteries which were there founded were established, according to the words of their charters, amidst immense solitudes; and the French nobles only came into Brabant for the sport of bear-hunting in its interminable forests. Thus, while the inhabitants of the low lands, as far back as the light of history penetrates, appear in a continual state of improvement, those of the high grounds, after frequent vicissitudes, seem to sink into utter degeneracy and subjugation. The latter wished to denaturalize themselves, and become as though they were foreigners, even on their native soil; the former remained firm and faithful to their country and to each other."†

Subsequently we find the Frisons subjugated by Charlemagné. At this period they are described as exceedingly industrious and prosperous, accustomed to union of action for the formation and preservation of their dikes, and remarkable for good will and reciprocal justice.‡ This habit of union enabled them to secure from their conqueror the acknowledgment of the perfect freedom of every order of citizens—of the right of property, not liable to violation, except in case of treason—of the privilege of trial by native judges, and according to national usages—of a very narrow limitation of military service—and of the hereditary title to feudal property, on payment of certain fixed dues or rents. Security of person and of property were thus established in a degree unknown in any other part of the world.

In the eleventh century we find them throwing off the connexion with France, and establishing a separate system for

\* *Acta Sanct. Belgii.*

† Grattan, *History of the Netherlands*, p. 25.

‡ *Ibid.*, p. 29.

themselves. Here, says Mr. Grattan,\* "history loses sight of the Frisons, the maritime people of the north, who took little part in the civil wars of two centuries." As a natural consequence of peace and security, "there was no portion of Europe which at that time offered a finer picture of social improvement than these damp and unhealthy coasts."† A portion of the nation, subjects of the Count of Holland, are now distinguished as *Hollanders*, or *Dutch*, but the mass of it refused to recognise his authority, nor could he succeed in establishing it.

Passing under the control of the Dukes of Burgundy, and afterwards under that of the emperor, we find the Netherlands and Holland almost constantly increasing in wealth, prosperity, and the love of liberty, the consequence of which was, that when Philip II. attempted to establish the inquisition, and to limit the freedom of religious opinion, it was met by determined resistance. In 1579, we find the northern provinces forming the union of Utrecht, and declaring their independence, the acknowledgment of which was finally extorted from Spain in 1648, after a war unexampled in duration, and in the waste of treasure and of human happiness.

With the return of peace Holland exhibited to the world the most extraordinary picture of freedom and prosperity. The owner of property was free to consume it, or exchange it, within or without the limits of the state. Restrictions upon trade were unknown. The labourer and the artisan were free to select their own mode of employing their time. The Protestant, the Roman Catholic, and the Jew, were equally under the protection of the law, and the persecuted of all nations sought and found here security and peace. The natural consequence was a vast increase of wealth.

With the growth of wealth and population there arose a necessity for an extension of the field for the employment of both, but instead of permitting that extension to take place gradually and freely, companies were established for the purpose of trading with colonies, or distant lands, and individual capitalists were prohibited from competing with them. The unfortunate natives of those colonies, and the colonists themselves, were delivered

\* Grattan, *History of the Netherlands*, p. 39.

† *Ibid.*

over to the tender mercies of monopolists. The peaceful policy was abandoned, and Holland engaged in ruinous wars, requiring taxation so enormous, that a fish was said to be seven times paid for—"once to the fisherman, and six times to the state." The natural effect of this taxation and restriction was, to expel capital, and to produce a steady decline of the productive power, during the whole of the last century. This change was followed by change of political condition, and at length we find a hereditary chief magistrate enforcing obedience to his orders at the head of a Prussian army. The previous changes in the *spirit* of the government are here marked by change of *form*, rendered still more complete, when, after twenty years of war, heavy taxation, and restrictions upon trade, the Stadtholder of the Republic was replaced by the King of the Netherlands.

The histories of Holland and France illustrate admirably the effect of security and peace, leading to wealth, union of action, and political freedom, on the one hand, and that of insecurity and war, producing poverty, disunion, and slavery, on the other. In that of ENGLAND, which we propose now to review, we shall see political freedom transplanted from the marshes of Friesland,\* and producing on a small island of the Atlantic, the same marvellous effects that we have already observed in the parent country—union, wealth, and peace—enabling all classes of men to improve their physical, moral, intellectual, and political condition.

Prior to the Norman conquest, a long series of invasions and of civil wars had reduced the people to poverty, and the monarch to a state nearly similar to that of the descendants of Charlemagne. They were little better than ciphers, while the various parts of the kingdom were ruled by powerful nobles, exercising the rights of sovereignty.

The conquest was attended by the most disastrous consequences to the existing generation, but it was necessary to the erection of the wonderful superstructure that has since been

\* "The tribes by whom Britain was invaded, appear principally to have proceeded from the country now called Friesland; for of all the continental dialects, the ancient Frisic is the one which approaches most nearly to that of our Anglo-Saxon ancestors.—*Palgrave's England*, vol. i., p. 34.

raised. It brought order out of chaos. The brief war by which it was effected, gave the followers of William, neither very heavy claims upon his gratitude, nor much power to enforce their claims if made, and he was consequently enabled to retain, for the crown, a large portion of the confiscated property. Its possession secured the receipt of an ample revenue, and enabled him to maintain order. Private wars were not tolerated, nor were the nobles permitted to plunder the merchant or the traveller, as was the case in France. A girl loaded with gold might, it was said, pass safely throughout the kingdom. He established his authority not only over his chief vassals, but over their tenants, receiving the oath of fealty from every landholder in the kingdom, thus instituting a direct connexion between the crown and the people at large. Neither at that time, nor at any subsequent period, did any private subject enjoy the power of coining money. All were liable to the payment of contributions for the maintenance of government. In no part of the world did the nobles enjoy so few *privileges*. In none, consequently, did the people enjoy so many *rights*. In none, therefore, did there exist so much community of interest among the various portions of a nation.

Undisturbed by private wars, labour was productively applied, wealth increased, the people rose rapidly to importance, and the crown and the nobles looked to them for support against each other. "From the time of William Rufus," says Mr. Hallam,\* "there was no reign in which charters were not granted to different towns, of exemption from tolls on rivers and at markets, those lighter manacles of feudal tyranny; or of commercial franchises; or of immunities from the ordinary jurisdictions; or, lastly, of internal self-regulation." On the other hand, the nobles, feeling themselves burthened with taxation, made common cause with the people to set limits to the power of the sovereign.

From the Conquest to the wars of the Roses, a period of nearly 400 years, England enjoyed internal peace to an extent unparalleled in history. During that period no foreign enemy landed upon her shore, except when the king of France was

\* Middle Ages, part iii., ch. viii.

called to the aid of the barons, during the reign of John. Deprived of the power of making war among themselves, and having no foreign enemy to disturb their tranquillity, the landed proprietors turned their attention to the cultivation of the arts of peace. From the reign of Henry II., pecuniary commutation for personal service became almost universal. The armies were composed of hired troops, receiving their pay from the king, and obeying his commands. Under such circumstances, it was difficult for any individual, or even any body of individuals, to acquire power sufficient to disturb, for any length of time, the peace of the kingdom, or to interfere with the succession to the throne. Accordingly we find, in the whole period of nearly four centuries, but two cases of disputed right thereto: that of Stephen in the twelfth century, and that of Henry IV., which last was settled with but little difficulty. The natural consequence of internal tranquillity was a constant increase of wealth and of the power of production—a constant improvement in the condition of the people, tending to produce an unity of feeling and of action in the nation,\* and a community of interests between the people and the landed proprietors. Both felt themselves interested in limiting the expenditure of the crown, because both were compelled to contribute thereto.

Separated by the channel from the continent, England was not necessarily involved in the disputes of France, and she had no neighbours on the island but the people of Wales, who became incorporated into the kingdom under Edward I., and those of Scotland, torn with the dissensions of powerful chiefs. The

\* "In our own English history," says Mr. Palgrave, "it is important that the inquirer should keep in mind the distinct and separate political existence of the different Anglo-Saxon states, after they became subject to the supremacy of one monarch. No opinion is more prevalent, and at the same time more utterly unfounded, than that which pre-supposes that the conquests of Egbert, so erroneously styled the first sole monarch of the English, incorporated the various states and communities of the Anglo-Saxon empire. This union was effected by very slow degrees. Long after the Conquest, we may discern vestiges of the earlier state of government. Perhaps it was not until the reign of Edward I. that England became one commonwealth, under one king; and, from the federative spirit of our ancient constitution, some of its best and most important characteristics were derived."—*History of England*, p. ix.

thirst for dominion impelled her sovereigns, at various times, to invade both of those kingdoms, and the expenditure thereby incurred tended greatly to retard the improvement that would otherwise have taken place. Although retarded, it was not prevented, because internal peace facilitated the productive application of labour, and the growth of capital.

With the improvement in physical and moral, we find a steady improvement of political condition. In the reign of John, Magna Charta secured the rights of the barons and the people. In that of Henry III., the cities and counties send representatives to parliament. In that of Edward I., it was admitted that no manner of "aids, tasks, or prizes," could be taken but by the common consent of the realm. In that of Henry IV., the commons had acquired the right of directing the application of subsidies, and of impeaching the king's ministers for misconduct. Such were the political effects of internal peace, facilitating the growth of wealth.

With the civil wars we find a sudden change. Internal peace being destroyed, and the people being employed in the work of destruction instead of that of production, the natural consequence was, that the rights acquired by them at so heavy cost, were re-assumed by the crown. The reign of Edward IV. was the first in which no statute was passed for the redress of grievances.\* He imposed taxes, under the name of benevolences, without the assent of parliament. Thus we find a material deterioration of the political, attendant upon a deterioration of physical and moral condition.

After thirty years of civil war, order was at length restored by Henry VII., who united, by his marriage, the claims of the rival houses. The destruction of property and of life that had taken place in that time, had made a considerable difference in the relative positions of the monarch and the people. The latter had become poor, and were consequently submissive, while the former was imperious and arbitrary. His successors exercised their powers with little control from obedient parliaments. Taxes were imposed and monopolies were granted, by which men were deprived of the right of freely exchanging the products of

\* Hallam, *Middle Ages*, part iii., ch. viii.



their labour, and the few were enriched at the expense of the many. Liberty of speech, or of thought, was denied, and the court of High Commission was instituted. Everything indicated the establishment of an arbitrary sovereignty. Fortunately, however, internal order was maintained, and of the century and a-half that followed the accession of Henry VII., a large portion was spent at peace with foreign nations. Labour was again turned to production, and wealth increased. The nation gradually recovered from its prostration, and the evidences of it are found in the difference of the tone of parliament, in its intercourse with the sovereign. Elizabeth at length found it necessary to abolish the monopolies that had been instituted. Step by step, with the increase of wealth, we find an increased disposition on the part of the people to assert their rights, during the reigns of Elizabeth, James I., and Charles I., until we reach the civil war of 1640.

The superiority of the moral condition of the people of England of that day, accustomed to the enjoyment of a large measure of liberty, over those of France in 1789, enjoying none, is admirably illustrated by the conduct of their revolutions. In both, it is true, the sovereign lost his head, but in England only two others of the leaders of the royalist party suffered under the hands of the executioner, whereas France was deluged in blood of men, women, and children, of all ranks and conditions of life. In England, there were no proscriptions. In France, whole orders of men were proscribed. In England, the destruction of property was small, whereas, in every part of France, the residences of landed proprietors were pillaged and burnt. In the one case there was exhibited the quiet determination of men who knew their rights, and were ready to uphold them, while in the other we see the frantic excitement of slaves suddenly released from their bonds, and desirous to enjoy the short period of freedom by retaliating upon their masters for the evils they had endured. In the one, the party of the people embraced an important portion of those who were most distinguished for property and for birth, because peace and the rapid growth of wealth, had tended to produce a community of feeling and of interests among all who stood below the throne, whereas, in the other, a love of war had tended to keep the people poor, to

maintain the distance between the owner and the cultivator of the land, and to prevent the establishment of any community of feeling or interest among the various classes of society.

Tranquil as was the revolution, compared with that of France, it yet, to a considerable degree, failed to establish the rights that were desired. Civil war produced insecurity. The condition of the people was deteriorated rather than improved, and they gladly hailed the restoration, forgetting all the original causes of the war, and omitting to make provision against their recurrence. Had the leaders of parliament been content to secure, one by one, all the concessions that could *peaceably* have been wrested from the crown, Charles II. would have enjoyed much less power than he did, and the revolution of 1688 would not have been needed. The continuance of peace would have added daily to the power of the people, whereas the war diminished it. The one would have been attended with a constant increase, whereas the other produced a constant diminution, of the productive power.

Tranquillity at home, rendered now more complete by the union of the whole island under one monarch, soon restored to the people the power of controlling the operations of the government, and the revolution established the right to select their sovereign. From that time to the period of the French Revolution, there was a steady increase in the productiveness of labour, accompanied by an equally steady improvement in the moral and physical condition of the people, and increase of their political influence. The waste occasioned by a war continued above twenty years, produced a material change for the worse. The difficulty of obtaining subsistence was increased. Labour yielded a smaller amount of the comforts of life. The poor-houses were filled, and the tax for the maintenance of paupers rose to above \$40,000,000 per annum. The condition of both capitalist and labourer was deteriorated. Labour being less productive, the former obtained a diminished quantity of commodities, although receiving a larger proportion.\* With the deterioration of physical and moral condition thus produced, we find a deterioration of political condition. The power of

\* See vol. ii., chap. x.

the aristocracy was gradually increasing, and that of the people diminishing. Men were imprisoned for comments on the actions of those who exercised the powers of government, and meetings of the people to memorialize the legislature, were dispersed by bodies of troops. Laws were passed to prevent those charged with sedition from having a fair trial.\*

England has now enjoyed peace for twenty-four years, attended by a vast increase of productive power, a rapid improvement in the moral and physical condition of the people, and a prodigious change of political condition, exhibited in the abolition of disqualifications for difference of religious opinions, in the reform bill, in the re-organization of the municipal governments, in the repeal of apprentice and combination laws, in the abolition of monopolies, &c. Each year, during the war, was accompanied by increased restraints upon the exercise of the rights of person or property, while almost every year of peace has been marked by a diminution of them. The one was attended by diminished production, diminution in the proportion of the labourer, increased difficulty of accumulating capital, and increased inequality of condition, whereas the other is accompanied by increased production, of which the labourer takes an increased proportion, facilitating the accumulation of capital, and tending to produce equality of condition.

The political effect that is produced, from year to year, by this increase in the labourer's *proportion* of the product of his labour, can hardly be marked, but when we examine long periods, it becomes very obvious. On a former occasion,† we showed that the division between capital and personal services was, in England, probably in the ratio of 21 to 56, whereas, in France, it was as 36 to 47, *i. e.*, that while the capitalist in the former retained little more than one-fourth of the net product, after paying the expenses of government, in the latter he had about 44 per cent. The distribution in England, in former times, was far less favourable to the people than that of France is at the present time, but if we admit that it was precisely the same, and apply it to England at the present time, we

\* See vol. ii., p. 38.

† See vol. ii., p. 379.

shall see how different would be the relative condition of the various classes of society. If we take the production at £260,000,000, the owners of landed and other capital taking 27½ per cent., would have above £71,000,000, whereas, under the French mode of distribution, they would have £114,000,000. The labouring class would be reduced to great poverty, while the owners of capital of every description would enjoy unbounded wealth, surrounded by troops of servants and dependents of every description, prompt to obey their will. They would be omnipotent in the state, while the people would be poor and demoralized, ready to follow any leader, or to engage in any plan for disturbing the existing order of things likely to enable them to enrich themselves by plunder, as has been so recently the case in France. Fortunately there is a law of nature that secures us against the occurrence of such a state of things. Increase of capital is attended by increased facility of production, and increased facility in the accumulation of further capital. The labourer wants its aid, and the capitalist needs his services to render his capital productive. The proportion of the time of the one, or of the product thereof, that can be claimed by the other, diminishes with every decrease in the quantity of time or labour required for the production of that species of capital that he desires to use. The relative position of the labourer is constantly improving, and hence the increase of his political power. His moral condition is as steadily improving, and hence arises increase of security and steadiness, tending to the further and more rapid increase of wealth.

Having now traced the progress of political power in England, in past times, we can have little difficulty in determining what is to be its future course. If peace and internal security be maintained, there must be a constant increase of the power of production, attended by a daily increase in the power of the people, enabling them gradually to abolish all laws tending to interfere with the right of the owner of property to exchange the same at home or abroad, as he may deem most conducive to his advantage. Monopolies and restrictions will pass away, as will all laws that visit differences of opinion with political disabilities. Equality of political rights—the perfect control of each man over his own actions and his own property—will gradually be established. For all this, there is little need of change in the *form* of government. We have already seen that,

while freest in its forms, no country in Europe presented to view less of the spirit of freedom than Spain. Under the monarchical system, Great Britain has gone steadily on, the condition of the people gradually improving with the growth of wealth and of population, and there is no reason to doubt that it will continue to do so. The power interposed between the people and the sovereign—that of the landed aristocracy—will diminish with every step in the onward progress of the nation, until the action of both houses of parliament will become subject to the popular control;\* and if the changes thus rendered necessary be permitted to take place gradually, there will be found with each successive one an increase in the harmony of feeling among the various portions of society. Such is the *inevitable* effect of an increase of wealth and population, giving to the *property* of the landlord daily increase of value, but diminishing daily the *power* to control the actions of his fellow subjects.

All who desire a change in the political condition of the people, should study to maintain security of person and property, where it exists, and to establish it where as yet it does not exist. To that end peace is indispensable. By diminishing the cost of government is diminished the necessity for taxation and for interference with trade, and the growth of capital is thereby accelerated. By improving moral condition, the necessity for maintaining an armed force at home is diminished. Those who desire the recognition of their own rights, should never forget that their object will be best promoted by respecting those of others, and that every interference therewith tends to delay the accomplishment of their desires. Those who burn hay-ricks and barns, and destroy machines for increasing the productiveness of labour—those who compel fellow workmen to abstain from work, except at prices fixed by others—those who burn manufactories—are the enemies of the people. Their actions tend to delay improvement of political condition.

Those who now exercise power, and desire to prevent its

\* The proportion of electors to the population, (under the Reform Bill,) is as follows—

		In counties.	In towns.
England,	- .	1 to 24	1 to 17
Scotland,	- .	1 23	1 17
Ireland,	- .	1 45	1 27
Wales,	- .	1 115	1 22

transference to the people, may accomplish their object by constant wars, by extravagance of expenditure, and by diminution of security at home. By such measures they will diminish production and *increase their own proportion* of the product, but they will *diminish the quantity*. They will maintain *power*, but diminish *enjoyment*. Every measure that tends to the steady increase of the latter, tends equally to the diminution of the former. Their interests, and those of the people, are identical, and the one cannot be injured without injury to the other. Those of all are to be promoted by peace, security, and diminished public expenditure.

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During a long period, the history of SCOTLAND is marked by circumstances essentially different from those which meet us in that of England. Frequently at war with a powerful neighbour—her territory overrun by hostile armies, with which were frequently in league some of the most powerful of her own sons—her monarch possessed no power to enforce obedience to the law. Her nobles exercised the right of making war and peace, of making and unmaking kings. There was no security for person or property. The people were poor and wretched, because there was no inducement to exertion. A large proportion of their earnings was taken by the owner of landed or other capital, who lived in barbaric grandeur, surrounded by hosts of obedient vassals.

The union with England put an end to the border wars, that tended so much to maintain irregularity of habits. The power of the crown was now such as to enforce obedience to its laws. By degrees, security was established, and labour became productive. Since that time wealth has increased rapidly, accompanied by a constant decrease of the power of the chieftains, and increase in that of the people. A century of union and peace has done more to the improvement of their condition, morally, physically, and politically, than had been accomplished in the previous ten centuries of wars, pestilences, and famines.

## CHAPTER VI.

## OF THE INFLUENCE OF WEALTH ON THE POLITICAL CONDITION OF THE PEOPLE OF THE UNITED STATES AND INDIA.

THE early English settlements on the coast of America were made at a time when the English nation was rapidly regaining the ground lost during the civil wars, and was intent upon establishing the right to freedom of thought and of action. The settlers came prepared, each for himself, to assert the right of self-government, and accordingly we find the first New England colony establishing a pure democracy. In Virginia, likewise, notwithstanding numerous difficulties, we find the most emphatic assertion of the right to freedom of thought, of action, and of trade.

The essential difference between the governments thus instituted and those of the republics of Greece and Rome, and of modern Italy, was that in the former was now, for the first time, recognised a perfect equality of political rights and duties, whereas in the latter, the rights were reserved for *the few*, while the duties were imposed upon *the many*. On a former occasion,\* we gave the compact entered into by the first emigrants to Massachusetts, with a view to the organization of a "civil body politic," and for the establishment of "such just and equal laws, ordinances, acts, constitutions, and offices, from time to time, as" might "be thought most convenient for the general good of the colony." It was signed by each member of the colony: by the whole people. "This was," says Mr. Bancroft,† "the birth-place of constitutional liberty. The middle age," he continues, "had been familiar with charters and constitutions; but they had been merely compacts for immunities, partial enfranchisements, patents of nobility, concessions of municipal privileges, or limitations of the sovereign power in

\* See vol. ii., p. 10.

† History of the United States, vol. i., p. 310.

favour of feudal institutions. In the cabin of the Mayflower, humanity recovered its rights, and instituted government on the basis of equal laws for the general good." At a subsequent period, we find Roger Williams founding the colony of Rhode Island, in which "all men were equal; all might meet and debate in the popular assemblies; all might aspire to office;" and in which "the people, for a season, constituted itself its own tribune, and every public law required confirmation in the public assemblies. And so it came to pass," continues Mr. Bancroft,\* "that the little 'democracie,'† which, at the beat of the drum, or the voice of the herald, used to assemble beneath an oak, or by the open sea-side, was famous for its 'headiness and tumults,' its stormy town-meetings, and the angry feuds of its herdsmen and shepherds. But true as the needle to the pole, the popular will instinctively pursued the popular interest. Amidst the jarring quarrels of rival statesmen in the plantations, good men were chosen to administer the government; and the spirit of mercy, of liberality, and of wisdom, was impressed upon its legislation. 'Our popularitie,' say their records, 'shall not, as some conjecture it will, prove an anarchie, and so a common tyrannie; for we are exceeding desirous to *preserve every man safe in his person, name, and estate.*'" In the Constitution of Connecticut, it was provided that all who took the oath of allegiance, should be entitled to exercise the elective franchise—that representation should be apportioned according to population—and that the magistrates and legislature should be chosen annually by ballot. Here we find no reservation of privileges—no imposition of duties unaccompanied by the enjoyment of rights.

In the early period of their history, when the people were widely scattered, occupying only the superior soils, they were

\* History of the United States, vol. i., p. 426.

† It was ordered by the whole body of freemen, and "unanimously agreed upon, that the government, which this body politic doth attend unto in this island, and the jurisdiction thereof, in favour of our prince, is a DEMOCRACIE, or popular government; that is to say, it is in the power of the body of freemen orderly assembled, or major part of them, to make or constitute just laws, by which they will be regulated, and to depute from among themselves such ministers as shall see them faithfully executed between man and man." Copied by Mr. Bancroft, from the Records, now in Providence.—*History of the United States*, vol. i., p. 393.



poor, and could with difficulty defend themselves against the attacks of savages on one side, or the encroachments of the government on the other, but with the increase of population and wealth, we find the smaller settlements associating together for the formation of local institutions, with a view to the establishment of more perfect security of person and property. At another period, we find several colonies associating, and at length we find a body composed of representatives of the people of all the colonies.

The gradual manner in which this habit of association arises, where peace is preserved and security is established—where population and wealth are *permitted* to increase—is here beautifully illustrated. Originally composed of Roundheads and Cavaliers—Catholics, Episcopalians, and Puritans—English, Dutch, and Swedes—we find, by degrees, all these titles merged in the single one of fellow-citizen. The manner in which this tendency to union exhibited itself—the obstacles it encountered—and its steady increase until the establishment of the Federal Constitution, are so well described by a recent writer, and the subject is so interesting, that we give the following long extract, persuaded that it cannot be read without pleasure.

“There are few subjects on which the mind is more exposed to the unperceived intrusion of erroneous notions, than the relations, during the colonial period, between the different communities which now make up the Union. The complicated frame-work of our system has been, for about half a century, acquiring strength and solidity, from the imperceptible processes of time; there is a constant concurrence in the national legislature, which creates a fellowship between remote sections; there are the million of interchanges, arising from an active commercial spirit—the progress of the arts is speeding and facilitating intercourse to an extent never dreamed of—and beside all such relations of a political and social character, we are, it is to be hoped, every day realizing more and more the community of our possession in the fame of our ancestry, and all that is glorious in our common history. The course of events has been to supply with an increasing abundance the elements that make up a nation’s heart. But all this has a tendency to dazzle and confuse our thoughts, when directed to an early period of the formation of the Union. We are apt to presume that it was brought about with little difficulty—that it was an easy result, and just what might have been anticipated.

This, on a little reflection, is perceived to be a serious misapprehension. The formation of the Union was a slow—a laborious and reluctant process. The period of transition from the original state of political severalty to the present political combination, was a space of time not shorter than a century and a-half. It began with the first suggestion of that little local coalition styled the New-England Confederacy, in 1637, and came down to the declaration of independence, which completed the Union, (for, let it be remembered, that in transferring the states from their colonial condition, it gave independence to the states *in union*;) or if a later date be preferred, down to the time when the union was confirmed and made ‘more perfect’ by the adoption of the Federal Constitution. During this whole period the processes of combination were at work—silently, imperceptibly—seldom thought of, and never fully appreciated. It did not enter into the heart of man to conceive to what great results every thing was tending. The association of these distinct communities was not the result of political sagacity. According to our apprehensions, the mind of man had but little to do with it, or was at best but a very subordinate agent. But is this a suggestion, it may be inquired, designed to disparage the union—a reason for doubting its expediency, and calling in question its value? No: when we intimate that it was not the product of human forethought and political wisdom and experience—that it cannot be traced to any premeditated plan—the idea of any one man, or the concert of any one body of men, we are far from meaning to imply that it was the work of chance. ‘A wiser spirit was at work for us,’ and if there is one circumstance which, more than another, should impress deeply upon the heart of every thoughtful citizen of this republic the value of the union, it is this very fact, that it was not by the mind of man alone that it was wrought. The union in truth was not made, but it grew. It grew as the tree grows, as the forest grows. Of no political result may it be more emphatically asserted, that God gave the increase. Let any one examine the colonial and revolutionary history of our country, with reference to the formation of the Union—let him observe how conflicting interests were undergoing a reconciliation—how discordant feelings were gradually attuning to a better harmony—how those who were to one another strangers, were becoming familiar friends—how the sentiment of brotherhood was by degrees finding a place in the bosoms of the members of different colonies—and let him reflect, too, that all this was going on as if it were only incidental to other events, the actors in which were unconscious of

their tendencies—and if he is not labouring under the infidel's malady—that 'thick drop serene' which so fearfully clouds the intellectual sight—he will perceive the hand of Providence shaping the rough-hewn ends—governing and guiding the current of things towards an unthought-of channel.

"It is not our purpose to discuss the difficulties that were overcome in the establishment of a union among the colonies. We wish to advert to the subject only so far as is necessary to place the student of history in the true position to understand the importance of the convocation of the Congress of 1774. At the present day we have become so familiar with the recurrence of conventions, composed of delegates from the several sections of the country, brought together for every variety of purpose—ecclesiastical and political—moral, agricultural, literary, and fanatical—that we are prone to take it for granted that it was equally easy for our forefathers to join their heads together in council. It might, we have no doubt, be shown, on the contrary, that the colonies never came together except when constrained to do so by a sense of common danger. The seeds of union were few, and sown in no very congenial soil. It would seem as if the chief, if not the only, impulse to any concert of action, was the security of their common safety. The presence of a savage foe on the New England frontier, with some additional apprehensions from other neighbours, was the motive of that small eastern confederacy to which we have already alluded; and when the danger passed away, the feeble ties which held those few colonies together in an imperfect league, fell away also. When, at another period, a war was anticipated between Great Britain and her colonies, on one side, and France on the other, the apprehension of it, enforced, too, by suggestions and promptings from the British ministry, produced nothing more than the abortive plan of the Albany Congress, in 1754. Again, when danger threatened from a new quarter—royalty grasping more tightly its trans-Atlantic realm—when the hand of the mother country was first rudely laid on the lusty children that had grown up with so little of her fostering care—the result was only a few weeks joint deliberation in the Stamp Act Congress at New York. Even at a later period, when the measures of Parliament and the ministry had become very much the settled colonial policy of the parent country, the Congress of 1774 closed its brief session with a contingent adjournment, that left it doubtful whether the colonies would again be found acting in concert. It was not until the wearied patience of the people was worn out, and the outraged sense of free-

dom driven to the last resort, that the coalition of the colonies began to assume the aspect of permanence. Then, and not till then, it became apparent to the philosophic eye, what had long been the tendency of all things, touching the relations between those distinct communities. Together they had sought redress for their grievances—together they declared their rights—they appealed, petitioned, remonstrated together—and, when they encountered the same repulse and the same disappointment, they ‘*associated*’ under solemn pledges—‘the sacred ties of virtue, honour, and love of country’—for a combined, pacific resistance, (October 20, 1774.) At length, when all had failed, and they saw that the hour had come for the last appeal, they bowed down together in ‘public humiliation, fasting, and prayer,’ and with hearts thus strengthened, they stood prepared to face the common danger. It was one war to all. Blood was soon shed; and that blood, poured out for the common cause of all, was the seal of the Union.

“Nor is it extraordinary, that the chief inducement to union should have been found in the sense of common danger; for there was many an obstacle that required the hand of time to smooth down. The great difference in the characteristics of the various colonists, at their first settlements, would, of course, long continue to modify and sway the feelings and habits of their descendants. The elements of religious animosity had been brought to the country. The two great parties that divided England in the seventeenth century, were not unrepresented among their countrymen on this side the Atlantic. There was a race of puritans and a race of cavaliers, and it would have been strange if they had found much in common in their tempers of life. Indeed, there were, it is familiarly known, many causes of positive antipathy—religious differences—boundary disputes—clashing interests and jealousies. Besides, during the whole colonial times, there was very little, apart from the one connecting principle we have above referred to, that was calculated to make one colony of importance in the estimation of another. Whatever a colony was unable to supply its own inhabitants with, was obtained from the mother country. This was an obvious and necessary consequence of the policy which was restrictive on the commerce and manufactures of the colonies. It was in a great measure in accordance with the feelings of the colonists; for *Old* England had a place in their hearts; but what was *New* England to Virginia, or Virginia to New England? When the thoughts of those who were dwelling in the different settlements in this country travelled

out of the household of their respective colonies, they travelled not to the other colonies, but to the old country. Whatever external sympathies existed, were for the land of their forefathers. The filial feeling still survived, and it gave place but slowly to the fraternal feeling. It is a fact not unworthy of notice, that when London experienced the calamity of the great fire, in 1666, contributions were made by the colonists for the relief of the sufferers. There was a manifestation of sympathy for a misfortune in England, precisely analogous to that which has been prompt in its action, when, of late years, similar calamities have befallen several cities of the Union. There is quoted in Governor Hutchinson's History of the Colony of Massachusetts, a curious expression of the state of the popular feeling, as it existed in the early part of the last century, not only towards the parent country, but in its inter-colonial relations; it would seem that as early as 1728, some imputation of thoughts of independence had attached to the chief colony of New England, which it was deemed proper to disavow, in address by a deputation to the council. The disavowal was couched in the following language:

"From the universal loyalty of the people, even beyond any other part of his majesty's dominions, it is absurd to imagine they can have thoughts of independence; and to show the reverse, it is the custom for all persons coming from thence for London, though they, and their fathers, and grandfathers, were born in New England, to say, and always deem it, coming "home," as naturally as if born in London; so that it may be said, without being ludicrous, that it would not be more absurd to place one of his majesty's beefeaters to watch a child in the cradle, that it does not rise and cut its father's throat, than to guard those infant colonies to prevent their shaking off the British yoke. Besides, they are so distinct from one another in their forms of government, in their religious rites, in their emulation of trade, and consequently in their affections, that they can never be supposed to unite in so dangerous an enterprize.'—*Hutchinson's History*, vol. ii., p. 319, note.

"Who could have conceived that, in less than half a century, a land so innocently loyal, should produce such men as James Otis and Josiah Quincy, the Adamses, and Hancock, and Warren—or that, with one heart and one mind, the colonies from New Hampshire to Georgia, should be found united in their 'dangerous enterprize.'

"Something very like the feeling so strongly expressed in the passage we have just quoted, may be traced down to the period of the change in the colonial policy of Great Britain, that led to resistance. 'Home' was the significant and endearing epithet which long continued to be applied to the mother country. It is manifest, too, both from documentary history and from private correspondence, how

limited was the intercourse between the inhabitants of the different colonies. In the biographies of those whose movements were of sufficient consequence to be traced and recorded, we recollect but few instances of any thing of the kind. Washington, in 1756, travelled as far to the eastward as Boston, and in 1757, visited Philadelphia: but both these visits were occasioned by peculiar demands of a public nature, connected with the French war,—the first, for the purpose of a personal interview with the commander-in-chief, General Shirley; the second, to attend a conference of governors and officers, summoned by Lord Loudoun. Mr. Quincy's visit to the southern and middle colonies was, it is obvious from the record of it, an undertaking of quite an unusual character. No other instance of the kind occurs at present to our recollection, except a visit to Boston of two of the Philadelphia patriots—John Dickinson and John Reed—a few years previous to the commencement of the war. Dr. Franklin, indeed, from peculiar circumstances, had a very extensive personal familiarity with many of the colonies.”\*

With every increase in the habit of union, there was increase of security for person and property, accompanied by a diminution of its cost—increased power of production and accumulation—increased facility for the improvement of physical and moral condition—all tending to improvement of political condition, and further increase in the tendency to united action. The Union, as is above well said, “was not made.” IT GREW AS THE TREES GROW, and so would it grow in all parts of the world, were it permitted—were men to relinquish the trade of war, and to forbear applying *the remedies* of Mr. Malthus—allowing both population and wealth to grow, as nature would have them do.

In the early part of their history, we find sundry interferences with the perfect security of person and property. In some cases, differences of religious opinion were regarded as criminal. In others, the law of inheritance tended to the establishment of inequality. In a third class, men were compelled to contribute towards the maintenance of churches whose doctrines were at variance with their own. The inexpediency of such interferences with the rights of individuals was obvious to a large portion of the people, and public opinion was prepared for their abolition, when the attempt of the mother

\* New York Review, April 1839, p. 326.

country to establish taxation without representation, produced the Declaration of Independence. Among the first fruits of that independence, we find, in most of the states, the abolition of the laws of entail and of primogeniture, by which measure the owners of property were restored the right of distributing it among their children and friends in such manner as they might deem expedient, and of those laws by which individuals were compelled to contribute to the support of religious worship, leaving every man to select such church as might be most agreeable to him. The ability to carry into effect the determination to secede from Great Britain, and thus obtain increased freedom of action—increased security of person and property—was a consequence of the peaceful course that had been pursued, by which had been produced harmony of action among numerous colonies scattered over hundreds of thousands of square miles. Had they been accustomed to make war upon, and to plunder, each other, they could have offered no resistance, and each in succession would have been compelled to admit the right that was asserted on the part of the mother country. By their union they obtained the power to establish their claim to self-government.\*

\* M. de Toqueville says, "Small nations have, therefore, ever been the cradles of political liberty; and the fact that many of them have lost their immunities by extending their dominions, shows that the freedom they enjoyed was more a consequence of their inferior size than of the character of the people. \* \* \* It may be advanced with confidence, that the existence of a great republic will always be exposed to far greater perils than that of a small one. All the passions which are most fatal to republican institutions, spread with an increasing territory, whilst the virtues which maintain their dignity, do not augment in the same proportion. The ambition of the citizens increases with the power of the state; the strength of parties with the importance of the ends they have in view; but that devotion to the common weal, which is the surest check on destructive passions, is not stronger in a large than in a small republic. It might, indeed, be proved without difficulty, that it is less powerful and less sincere. The arrogance of wealth, and the dejection of wretchedness, capital cities of unwonted extent, a lax morality, a vulgar egotism, and a great confusion of interests, are the dangers which almost invariably arise from the magnitude of states. \* \* \* It may, therefore, be asserted as a general proposition, that nothing is more opposed to the well-being and the freedom of man than vast empires."—*Democracy in America*, vol. i., p. 243.

These views are singularly opposed to the lessons taught us by an examination of the history of the world. The people of France are vastly more free than

Rejecting the control of the mother country, they established their independence, but in other respects the changes were unimportant. The changes of form were, in most cases, little more than a record of those which had long before taken place in the spirit of government. In several cases the states continued to hold their elections and to act under their colonial charters, as Rhode Island still does. They were before free, in fact—they had now, by a change in the form of government, secured the perpetuity of that freedom. Since that time the Union has been greatly extended. The original thirteen states have grown to twenty-six, including the Spaniards and French of Louisiana and Florida, who, like the Dutch and Swedes of New York and Pennsylvania, are rapidly merging those titles in that of American.

In no part of the world does man enjoy so fully the right of employing his time, his talent, and his capital, in such way as he may deem likely to be most productive: in none is he so

when divided among the sovereigns of Navarre and Provence, Burgundy and England. The people of Great Britain are much more free than when England, Wales, and Scotland constituted separate nations. Those of the United States are infinitely more so than when the English, the Dutch, and the Swedes, and the French, had their independent establishments on the coast of America. Small nations can never enjoy the same freedom as large ones, as the more wide their extent, the greater is their security from the risk of war. The slightest occurrence is sufficient to excite the people of a small state, and if at liberty to act on the instant, war is declared, whereas the necessity for asking the aid of its associates gives time for reflection and negotiation. Those associates are less excited—perhaps perfectly cool—and they judge with calmness of the measures necessary to be adopted. Had Kentucky stood alone, she would have been at war with Spain, for the right of deposit at New Orleans: had Louisiana stood alone, she would have made war with Spain for Florida, and would have united with the people of Texas in making war upon Mexico: had New York and Vermont stood alone, they might have engaged in war for the support of the people of Canada, in their contest with Great Britain: and Maine, if alone, would have waged war with the same power for the disputed territory. The people most distant from the scene of action look on with coolness, and thus peace is preserved. The greater the union among men—the larger the empires—the less liability is there of war—the more advantageously can labour be applied—the more rapid is the accumulation of wealth—the more rapid is the increase of the labourer's reward, enabling him to improve his physical, moral, and intellectual condition—and the more rapid is the increase of his *proportion* of the product of labour, enabling him to assert and to establish his right to perfect equality of political condition.



free to consume the product, or to exchange it with those who may possess commodities that he desires to obtain: in none does he exercise the same control over the expenditure of the community and the action of its officers.

The extraordinary interferences of the nations of the eastern continent with the trade of the United States, during the wars of the French Revolution, and the violent revulsion following the peace of 1815, produced a tendency to the imposition of restrictions upon exchanges with foreign nations; but it is gradually wearing off, and will probably soon disappear. There still remain, in various parts of the Union, restrictions upon the right of association for the purpose of trading; and thus individuals, desirous of forming associations, are compelled to apply for charters, which are granted as privileges to some, while refused to others; but there can be no doubt that, with the gradual increase of population, of wealth, and of intelligence, men will be permitted to associate and to trade with each other in such way as they may deem most advantageous.

The following passage, from M. de Beaumont,\* describes very accurately the spectacle that is presented by the United States.

"Of all nations this is perhaps the one whose government affords the least scope for glory. None has the burden of directing her. It is her nature and her passion to go by herself. The conduct of affairs does not depend upon a certain number of persons; it is the work of all. The efforts are universal; and any individual impulse would only interfere with the general movement. In this country political ability consists not in doing, but in standing off and letting alone. Magnificent is the spectacle of a whole people moving and governing itself;—but nowhere do individuals appear so small.

"The United States do great things; their inhabitants are clearing the forests of America, and introducing the civilization of Europe into the depths of savage solitude; they extend over half an hemisphere; their ships carry everywhere their name and their riches; but these great results are due to a thousand isolated exertions which no superior power directs, to a thou-

\* Marie, ou l'Esclavage aux Etats Unis.

sand middling capacities which never invoke the aid of an intelligence superior to themselves."

Nothing can be more true than this picture, and such must be the case in all governments, in proportion as the people learn to manage their own business. In what should they "invoke the aid of an intelligence superior to themselves?" Is it to teach the pioneers of civilization the best mode of clearing the forests? or the merchant where he shall send his ships? or what he shall send in them? It is believed that both understand their business better than any government agent could direct them, and thus they are left to regulate their own affairs, and prosper. In a greater degree than in any other nation is government confined to its legitimate object—the protection of person and property. The vessel of state is allowed to sail before the wind in an open sea, instead of being brought into narrow and crooked passages requiring "superior intelligence" in the pilot to carry her through in safety. "None has the burden of directing her," and as a consequence, in no nation is there so little "scope for glory." In none do "individuals appear so small," because in none are they permitted so little to disturb the operations of the community. In exact proportion with the increase of self-government, is there in every nation this tendency to diminution in the "scope for glory." Henry VIII. changed the religion of England without difficulty. James II. was ejected, because his opinions differed from those of the majority. Louis XIV. repealed the edict of Nantz. He destroyed or expelled hundreds of thousands for difference of religious belief. Charles X. was himself expelled for attempting to restrain the expression of opinion. In Great Britain, the sovereign is a person of much less importance than is the sovereign of Russia, or of Austria. Even Lord Melbourne and Sir Robert Peel hold nearly the same language, because both feel that the people are their masters. In the United States, the presidents and their secretaries are changed without a change of policy, because public opinion, as represented in Congress, indicates the course to be pursued, and they must conform themselves thereto.

The machine of government moves itself. Even the treasury fills itself; and the only difficulty has been to contrive the means of emptying it of the surplus that has accumulated. In France,

on the contrary, the ministers assume the regulation of the affairs of the whole nation, and almost all are obliged to have something to do with the government. One is a dealer in tobacco; a second is a *maitre de poste*; a third wants a brevet; a fourth, *permission to work a mine upon his own estate*; &c., &c. Interfering, as it does, with the private business of so great a body of people, the best talent must be secured, in order, as far as possible, to avoid injustice.\* In addition to all these affairs of individuals, it is necessary to secure the collection of immense sums of money for the public service. Such is also the case in Prussia, Austria, Italy, Russia, and other parts of the continent, and the best talent is always engaged, at high salaries, in the service of the government; when, if that government were confined to its legitimate object—the security of person and property—moderate ability would suffice, and the ablest men of the nation might be employed more advantageously to the community in the management of their own affairs.

It is not to be doubted, that many of the sovereigns of Europe have had the strongest desire to promote the well-being and happiness of their subjects, but the present state of the several nations of the continent is evidence how little they have accomplished, and such is the result, because it is impossible that any human being should understand the best mode of regulating the business of millions. The experience of the world has proved that man does not possess the powers of mind necessary to such an object, and that if he did, he should not be trusted with the power to perform it. Even the best of them, those whose names are handed down to posterity as benefactors of the human race, have lavished enormous sums, wrung from the people, in the erection of palaces, theatres, and other buildings, for the gratification of their vanity and the decoration of the particular spot that they have chosen to honour with their presence. Others, under the mistaken idea of patronizing the arts,

\* "It is evident that a central government acquires immense power when united to administrative centralization. Thus combined, it accustoms men to set their own will habitually and completely aside; to submit not only for once or upon one point, but in every respect and at all times."—*De Tocqueville, vol. i., p. 116*. The system of France is here fully described, and it must be obvious to the reader that such a system, tending to the concentration of power, cannot withstand the change that must result from the constant increase of wealth.

have expended, and do now expend, large sums in the support of theatres and galleries, that the people of Paris, Milan, Naples, or Lisbon, may, at the expense of other portions of the community, have at a cheap rate the enjoyment for which they should pay its full value. Even the Italian Opera of Paris, the resort of the gay and the fashionable, is supported out of taxes paid by men whose families average but six *sous*\* each, per day, for their support. The many are deprived of the necessities of life, in order that the few may enjoy its luxuries.

In passing through the United States, from Massachusetts, Rhode Island, and Connecticut, with a population respectively of 81, 79, and 63 to a square mile, to Arkansas, with 1, we find, with diminished wealth and population, a deterioration of political condition. In no part of the world does practical democracy exist to the same extent as in New England—in none do all classes enjoy the same equality of rights—in none is there the same equality of duties—in none is there the same tendency to united action†—in none so near an approach to equality of physical, moral, intellectual, and political condition.‡ We have

\* See vol. ii., p. 296.

† "It is not impossible to conceive the surpassing liberty which the Americans enjoy; some idea may likewise be formed of the extreme equality that subsists among them; but the political activity which pervades the United States must be seen in order to be understood. No sooner do you set foot on the American soil, than you are stunned by a kind of tumult; a confused clamour is heard on every side; and a thousand simultaneous voices demand the immediate satisfaction of their social wants. Every thing is in motion around you; here, the people of one quarter of a town are met to decide upon the building of a church; there, the election of a representative is going on; a little further, the delegates of a district are posting to the town in order to consult upon some local improvements; or in another place the labourers of a village quit their ploughs to deliberate upon the project of a road or a public school. Meetings are called for the sole purpose of declaring their disapprobation of the line of conduct pursued by the government; whilst in other assemblies the citizens salute the authorities of the day as the fathers of their country. Societies are formed which regard drunkenness as the principal cause of the evils under which the state labours, and which solemnly bind themselves to give a constant example of temperance."—*De Tocqueville, Democracy in America, vol. ii., p. 136.*

‡ The following passage from the North American Review, in relation to the charge of aristocracy, so frequently brought against New England, is so just, that we cannot omit offering it to the reader.

"We are not sorry to have this topic brought in our way, connecting itself, as it does, with some points on which we were touching in our last number. We

already examined this subject very much at large,\* and have shown that with the diminution of population, as we pass from state to state, we find a constantly diminishing security of person and property, accompanied by a constant increase in the *proportion* of the product of labour that is required for its maintenance.

In passing towards the south, the most remarkable change that meets our view, is that produced by the existence of negro slavery. This exists in all the states south of latitude 40°, being thirteen in number.

Few questions have been agitated within the present century, about which more has been written than upon the subject of

there had occasion to remark upon complaints, current in certain quarters, respecting some supposed peculiarities of the New England character. There are others, which, from time to time, have come under our notice, and probably under that of most of our readers; and they happen to be of that kind, that if they could be substantiated, would prove the population in question to be not only very blameable on other accounts, but to be capable of resisting, with a superhuman perversity, some of the most imperious influences under which character is formed. Till all signs fail, it may be pretty safely predicted, that, of a people circumstanced in childhood and youth like that of New England, few will be found manifesting, in later life, either the arrogance and narrowness of a caste on the one hand, or a servile deference to the opinions and wishes of associates on the other.

"*Aristocracy*, for instance, in New England! In New England, of all places in the world, where, by the fast colouring chemics of the common schools, the boys are all dyed in the wool with democracy:—with democracy, not in some conventional sense, which in one or another part of the country, the word may have in this year or in that; but with the conviction and the feeling of a perfect equality among men, except so far as merit makes a difference. *Aristocracy* in New England! where, in the collisions and friendships and rivalries of childhood, collected in masses, not divided into ranks, the very last thing thought of is the distinction between more or less pocket money, or a homelier or gayer dress, and the *squire's* son is no better than the day labourer's, unless he happens to be able, which it is likely he will not, to get a longer lesson, or strike a harder blow. We are not arguing to clods, or we would take more pains to show, that, in such associations, it is the bright, and the bold, and the amiable, who will take the lead, and not the high born, if such an element there were; and that the different experiences of later life will be incompetent to undo the discipline there applied, and quell the spirit there engendered, and make the one class craven, and the other domineering. Till we have men among us, who never were boys, or till our boys are brought up in a different manner from what now prevails, it might seem that we were tolerably safe against any discomfort arising from the overbearing spirit of an aristocracy."

\* Vol. ii., chap. ii., iii., and iv.

negro slavery—few, in regard to which there has been less disposition to profit by the lessons of history. Almost all appear to believe that, because it now exists, it must always continue to do so, unless laws be passed for its abolition. Almost all are disposed to interfere in some way for the purpose of extinguishing it. Some desire immediate, others gradual, emancipation—and some would transport to Africa the whole labour-power of the south, regardless of the effect upon both master and slave. We believe that no such interferences are necessary—not only so, but that they must be positively injurious—and we also believe, that the great object of improving the physical, moral, and political condition of the slaves, will be best promoted by abstinence from action. Slavery has existed throughout the world, even in those parts in which man is now most free. It ceased in Scotland only in 1755.\* It was still in existence in England in 1775,† and some remnants of it are still to be found in the northern counties, as we have already shown.‡ In France it continued until the revolution.§

\* Previous to the year 1755, all colliers and other persons employed in coal works were, by the common law of Scotland, in a state of slavery. They, and their wives and children, if they had assisted for a certain period at coal work, became the property of the coal masters, and were transferable with the coal-work, in the same manner as the slaves on a West Indian estate.—*Dr. Cleland, London Athenæum*, No. 461, p. 600.

† “The colliers and salters of the north were bondsmen until the year 1775, and did not feel grateful when their fetters were knocked off by the 15 George III. They were so far from desiring or prizing the blessing conferred on them, that they esteemed the interest taken in their freedom to be a mere desire on the part of their proprietors to get rid of what they called head and larigald money, payable to them when a female of their number, by bearing a child, made an addition to the *live stock* of their master's property.”—*Wade's Middle and Working Classes*, p. 383.

‡ Vol. ii., p. 277.

§ “Besides the serfs thus gradually assimilated to vassals, there were other serfs whose state of slavery was as distinct and undisguised as that of the Russian cultivators is now: they existed for some time in considerable numbers, and continued to exist in several provinces up to the era of the revolution. We will say something of these before we proceed to the metayers. They were found on the estates of the crown, of lay individuals, and of ecclesiastics, under the name of *mainmortables*, which was used indifferently with that of *serf*, and appears to have been considered synonymous with it. They were attached to the soil, and if they escaped from it, were restored by the interference of the tribunals to their

It still exists in various parts of the British possessions in India.\*

owners, to whom their persons and those of their posterity belonged. They were incapable of transmitting property: if they acquired any, their owners might seize it at their death: the exercise of this right was in full vigour, and some startling instances led Louis XVI. to make a feeble attempt at a partial emancipation. Proprietors, exercising their *droit de suite*, as it was called, had forced the reluctant tribunals of the king to deliver into their hands the property of deceased citizens who had been long settled as respectable inhabitants in different towns of France, some even in Paris itself; but who were proved to have been originally serfs on the estates of the claimants. The contrast between the condition of these poor people and that of the rest of the population, became then too strong to be endured; but though the naturally kind feelings of Louis appear to have been roused upon the occasion, he ventured no farther, than to give liberty to the serfs or mainmortables on his own domains, and to abolish indirectly the *droit de suite*, by forbidding his tribunals to seize the person or property of serfs, who had once become domiciled in free districts. In the edict published by the unfortunate monarch on this subject, he declares that this state of slavery exists in several of his provinces, and includes a great number of his subjects; and lamenting that he is not rich enough to ransom them all, he states that his respect for the rights of property will not allow him to interfere between them and their owners, but he expresses a hope that his example and the love of humanity so peculiar to the French people, would lead under his reign to the entire emancipation of all his subjects."

\* "In every Mahratta household of consequence they (the slaves) are deemed indispensable. They are also employed in the labours of the field, in the cultivation of rice, and are in the lowest state of degradation, ill fed and worse clothed, and most wretched in their appearance. They are often extremely ill treated, and may be flogged at the discretion of the master, imprisoned or put in the stocks; and there is hardly a criminal calendar which does not contain cases of wounding, or even murdering slaves. Many are born slaves; some are kidnapped by men-stealers of a particular class, or are made prisoners in battle; others are sold into slavery, in times of famine, by their parents. In Canara, with a population of 1,000,000, in 1827, there were 80,000 slaves."

"In Mysore, Cong, Cochín, and Travancore, slavery prevails. All the jaghiredars, zumindars, principal Brahmins, and talookdars, employ domestic slaves in their establishments, and in every Mahratta household of consequence they are considered indispensable. They are also employed in the labours of the field, in the cultivation of rice, and are in the lowest state of degradation, ill fed and worse clothed, and most wretched in their appearance. They are often extremely ill treated, and may be flogged at the discretion of the master, imprisoned or put in the stocks; and there is hardly a criminal calendar which does not contain many cases of wounding, or even murdering slaves. \* \* \* It was the practice of the British to sell the slaves off the estate in default of the public dues, and in many cases to separate parents from children, wives from husbands, and thus to

The changes that have taken place in England are thus stated:

"Thirteen hundred years have elapsed since the final establishment of the Saxons. Eight hundred of these had passed away, and the Normans had been for two centuries settled here, and a very large proportion of the body of cultivators was still precisely in the situation of the Russian serf. During the next three hundred, the unlimited labour rents paid by the villeins for the lands allotted to them were gradually commuted for definite services, still payable in kind; and they had a legal right to the hereditary occupation of their copyholds. Two hundred years have barely elapsed since the change to this extent became quite universal, or since the personal bondage of the villeins ceased to exist among us. The last claim of villenage recorded in our courts was in the 15th of James I., 1618. Instances probably existed some time after this. *The ultimate cessation of the right to demand their stipulated services in kind has been since brought about, silently and imperceptibly, not by positive law; for, when other personal services were abolished at the restoration, those of copyholders were excepted and reserved.*

"Throughout Germany similar changes are now taking place, on the land; they are perfected perhaps nowhere, and in some large districts they exhibit themselves in very backward stages."\*

With the increased productiveness of labour, the labourers have taken a constantly increasing *proportion* of the product, and have experienced a constantly increasing facility in the accumulation of capital, giving them the feeling of independence, and the habit of self-government.

The labour of the United States at large is more productive than that of any other country,† and the labourers retain for their own use a larger proportion than in any other part of the world.‡ The labour of the southern states is not so productive as that of the northern, yet it is much more so than that of most of the countries of Europe, and the consequence is, that the labourer is valuable, is well treated, obtains good food

rend asunder the ties of kindred. (Highest class slaves sold for £6 5s. = \$30—average price, £3 6s. = \$15 84.) \* \* \* In 1819, the practice of selling slaves for arrears of rent was ordered to be discontinued by the board of revenue."  
—*Encyclopædia Britannica*, vol. xi., p. 403.

\* Jones on the Distribution of Wealth, pp. 40, 41.

† See vol. ii., chap. vii.

‡ See vol. ii., p. 379.



and clothing, and is not over-worked.\* Evidence of this is to be found in the rapid increase of the black population.†

With every increase in the productiveness of labour, the slave must obtain an increasing proportion of the product, in

\* The slaves here are less overburthened with labour, better fed, and better provided for, than the greater part of the peasants of Europe. Their good condition is proved by the rapidity with which their numbers increase."—*Chevalier, tom. i., p. 454.*

† See p. 17, *ante*. The following statement of the progress of population in Jamaica, will enable the reader to compare the system of the United States and that of the British West Indies.

In 1800, the slaves were	-	-	-	-	300,939
1817,	-	-	-	-	346,150
1829,	-	-	-	-	302,632

From 1820 to 1829, the manumissions were 4001. In the same period, in the United States, the population would have increased to about 700,000. In Jamaica, labour has been rendered unproductive, by wars, restrictions, heavy taxation, and interferences with the rights of property. The value of the labourer has been reduced, and his owner has had no interest in improving his condition, the consequence of which is seen in the total absence of increase of numbers. In the United States, on the contrary, labour has been valuable, because peace has existed, and men have enjoyed security of property, obtained at small cost. The owner of the slave has, therefore, great regard for his health and comfort; and hence a great improvement of condition, and a rapid increase.

The exports of Jamaica, from 1800 to 1812, averaged—

1,700,000 cwts. of sugar.  
4,100,000 gallons of rum.  
400 casks of molasses.  
22,000,000 pounds of coffee.

Those of 1827, 1828, and 1829, averaged—

1,200,000 cwts. of sugar.  
3,000,000 gallons of rum.  
221 casks of molasses.  
20,500,000 pounds of coffee.

That such should be the case is not at all extraordinary. The colonists have enjoyed no security of property. They could not exchange their commodities with the people of the United States, with whom trade would have been most advantageous, but were compelled to trade with others who would give them far less for their products. Other people could raise sugar and coffee, and could exchange with those who could pay most for them. At the same time that they have thus been deprived of the exercise of their rights over the property that was produced, they have been threatened with being deprived of their labourers, and the consequence of the two has been a frightful destruction of life. The insecurity that existed has been purchased at heavy cost, as will be seen from the following statement. Mr. Martin says, (*Colonies, vol. i., p. 200.*) that—

"On a general view it may be stated that the annual public revenue is £300,000,

the form of provisions, clothing, and shelter—constituting *wages*—enabling him to improve his physical and moral condition. With every such increase he must obtain, as he has obtained, increasing control over his own actions, and over the produce of his labour, constituting improvement of political condition.\*

and the vestry, or parish, or local taxation of the different counties, a nearly similar sum.”

The particulars of the expenditure of 1831, as laid before parliament, are given by Mr. Martin, (*page 199*), amounting to £ 370,000, among which are the following items:

Governor and Secretary,	-	-	-	£ 8,500
Officers of Customs,	-	-	-	23,390
Clergy of Established Church,	-	-	-	23,593
Clergy, Presbyterian,	-	-	-	1,201
Clergy, Catholic,	-	-	-	200
Charitable Institutions,	-	-	-	14,656
Army Expenses,	-	-	-	157,032

Here are above \$700,000 paid for the support of an army, being \$1 75 per head of the whole population. The governor and secretary divide between them above \$40,000, and the officers of customs, whose sole duty is to prevent the colonists from performing their exchanges, divide among them above \$100,000.

\* The following extracts from a recent highly interesting work, serve to show what is the condition of the slave. Let it be compared with that of a large portion of the people of Europe, and it will be seen that there are good reasons why their numbers should increase. Whenever the natives of India and of Poland, shall have it in their power to live as well as the slaves of the United States, their numbers will perhaps increase as rapidly.

“Nor are planters indifferent to the comfort of their gray-headed slaves. I have been much affected at beholding many exhibitions of their kindly feeling toward them. They always address them in a mild and pleasant manner—as ‘Uncle,’ or ‘Aunty’—titles as peculiar to the old negro and negress, as ‘boy’ and ‘girl,’ to all under forty years of age. Some old Africans are allowed to spend their last years in their houses, without doing any kind of labour; these, if not too infirm, cultivate little patches of ground, on which they raise a few vegetables—for vegetables grow nearly all the year round in this climate—and make a little money to purchase a few extra comforts. They are also always receiving presents from their masters and mistresses, and the negroes on the estate, the latter of whom are extremely desirous of seeing the old people comfortable. A relation of the extra comforts, which some planters allow their slaves, would hardly obtain credit at the north. But you must recollect that southern planters are men—and men of feeling—generous and high-minded, and possessing as much of the ‘milk of human kindness,’ as the sons of colder climes—although they may have been educated to regard that as right, which a different education has led northerners to consider wrong.

“‘What can you do with so much tobacco?’ said a gentleman—who related the circumstance to me—on hearing a planter, whom he was visiting, give an

In all the cities of the south, men are found in great numbers, hiring their own time, and paying their owners a fixed sum for the privilege. Such is the form in which the early steps to improvement are observed.\*

order to his teamster to bring two hogsheads of tobacco out to the estate from the "Landing." 'I purchase it for my negroes; it is a harmless indulgence, which it gives me pleasure to afford them.'

"'Why are you at the trouble and expense of having high-post bedsteads for your negroes?' said a gentleman from the north, while walking through the handsome 'quarters,' or village for the slaves, then in progress on a plantation near Natchez—addressing the proprietor.

"'To suspend their "bars" from, that they may not be troubled with musquitoes.'

"'Master, me would like, if you please, a little bit gallery, front my house.' 'For what, Peter?' 'Cause, master, de sun too hot' (an odd reason for a negro to give) 'dat side, and when he rain we no able to keep de door open.' 'Well, well, when the carpenter gets a little leisure you shall have one.' A few weeks after I was at the plantation, and riding past the quarters one Sabbath morning, beheld Peter, his wife, and children, with his old father, all sunning themselves in their new gallery.

"'Missus, you promise me a Chrismus gif.' 'Well, Jane, there is a new calico frock for you.' 'It werry pretty, missus,' said Jane, eyeing it at a distance without touching it, 'but me prefer muslin, if you please; muslin de fashion dis Chrismus.' 'Very well, Jane, call to-morrow and you shall have a muslin.'—*The South West, by a Yankee, vol. ii., p. 242.*

\* "Many of the negroes who swarm in the cities are what are called 'hired servants.' They belong to planters, or others, who, finding them qualified for some occupation in which they cannot afford to employ them, hire them to citizens, as mechanics, cooks, waiters, nurses, &c., and receive the monthly wages for their services. Some steady slaves are permitted to 'hire their own time;' that is, to go into town and earn what they can, as porters, labourers, gardeners, or in other ways, and pay a stipulated sum weekly to their owners, which will be regulated according to the supposed value of the slave's labour. Masters, however, who are sufficiently indulgent to allow them to 'hire their time,' are seldom rigorous in rating their labour very high. But whether the slave earn less or more than the specified sum, he must always pay that, and neither more nor less than that, to his master, at the close of each week, as the condition of this privilege. Few fail in making up the sum; and generally they earn more, if industrious, which is expended in little luxuries, or laid by in an old rag among the rafters of their houses, till a sufficient sum is thus accumulated to purchase their freedom. This they are seldom refused, and if a small amount is wanting to reach their value, the master makes it up out of his own purse, or rather, takes no notice of the deficiency. I have never known a planter refuse to aid, by peculiar indulgences, any of his steady and well-disposed slaves, who desired to purchase their freedom. On the contrary, they often endeavour to excite emulation in them to the attainment of this end. This custom of allowing slaves

The masters adopt this course, because in this way their slaves are more productive to them than they could be, if employed by themselves. Every day must increase the value of their services, precisely as the reward of labour increases elsewhere, and every day will find a new set of owners, who will find that they can derive more advantage from granting this sort of half freedom, than from any other course they can pursue.

Such being the case with domestics and mechanics, a similar state of things must arise in relation to field-slaves. Their increased and increasing value renders it more and more necessary to take care of them. Their wages in clothing and provisions are constantly rising, and with every new rail-road or canal the value of the product of their labour must increase, and with it there must be an improvement of condition. The owners will find, as in time past they have found, with their constantly increasing price, new-inducements for endeavouring to render their labour more productive, until at length it will be found that more may be obtained by granting to individuals the privilege of cultivating a certain number of acres, giving a certain portion of the product to the master, than from working them, as at present, in gangs. The system of *metairie*, which is only the application to farm-labour of the system which already obtains in relation to domestics and mechanics, will be introduced, and thereafter the progress to freedom will be rapid.

It will be said that centuries have been required to produce these effects in Europe, and it will be asked, are we to wait, in like manner, for centuries to produce this change? Had the people of Europe valued the blessings of peace, as they are now valued—had they known the advantage of security—had they been as free in action as the people of the United States now are—had they felt as little the cost of government—had capital accumulated as it now accumulates—had they known of the steam engine—the steam vessel—the rail-road—and all the vast improvements of our time, their progress would have been as

to 'hire their time,' ensuring the master a certain sum weekly, and the slave a small surplus, is mutually advantageous to both."—*The South West, by a Yankee*, vol. ii., p. 242.

rapid as is now that of the United States. They did not, and their advance was less in a century than has been that of the United States in the last ten years: less than will be that of the next five years. Let but a single individual establish the fact, as will doubtless soon be done, that greater advantage may be derived from selecting a few of the best slaves, and granting to each the right to cultivate, *under the control of the master*, a few acres, holding out to the remainder the hope of obtaining the same privilege, as a reward of good conduct, and the system will be followed.\* The man who shall do this will be a benefactor to the United States, fitted to rank with the greatest men they have produced. Although influenced by self-interest alone, he will be worth to the Union a thousand of those who, unwilling to hold slaves, and still less willing to devote their time and attention to the improvement of their condition, set them free to roam about the northern cities, or to seek the means of subsistence in Africa. The man who really desires to benefit the race, must retain his control over them, seeking constantly the means of improving *their condition and his own*, by rendering them more valuable, and thus increasing his means of making their situation more comfortable—increasing their wages, and fitting them gradually for freedom. Thus the desire of obtaining wealth, and of employing that wealth in such manner as will afford to the proprietor the means of indulging his tastes, will lead to emancipation, gradual, sure, and safe; a result as much to be desired as immediate emancipation is to be deprecated.†

\* "At the late diets of Hungary and Transylvania, the lower nobility wished to change the law of expropriation of the peasantry, by allowing them to possess freehold estates by the same tenure as themselves; because," they observed, "our property, when divided, will be worth more than it is entire, and we shall sell the fragments for more than the whole."—*Grund. The Americans*, p. 235.

† Of all the writers on slavery, even those who most strenuously advocate its abolition, not one would be favourable to the establishment of a free government, similar to those of the United States or England, in Russia or Turkey. "Thus," Mr. Scrope says, "the same form of government which is suited to England in the present day, would clearly not be equally advisable for Spain—perhaps even not for Ireland."—(*Principles of Political Economy*, p. 23.) The native of Spain is certainly as much entitled to self-government as the Briton, and if unfitness be a good reason for debarring him from the enjoyment of any right, the case of the negro slave is equally strong. It becomes a question, when men

The establishment among the blacks of the right to self-government is as inevitable as is its establishment in England and France, provided peace be preserved, and capital be permitted to accumulate. Every increase in the ratio of capital to population—every increase of the productive power—*every improvement in the condition of the owners of slaves*—tends to the accomplishment of this object; and it can be delayed in no way but by diminishing the growth of capital—by diminishing the productive power—and thus deteriorating the condition of the owners. War—interferences by one portion of the free population of the south with another portion, by which the latter are prohibited from educating their slaves, and thus rendering their labour more productive than it now is—interferences by the people of the north with the rights of those of the south, by which security shall be diminished, as was the case in Jamaica—must diminish the power of physical and moral improvement, and as a natural consequence must delay the period of enfranchisement, and it is for the people of the north and the south to determine if the condition of the slave will not be most rapidly improved by leaving the whole matter to the gradual but certain remedy provided by nature in all such cases. To enable her to apply it, she asks of the people of the north to abstain from interference between the two races that inhabit the south, and of the freemen of the south to remove those restrictions by which the majority prevent the minority from making, in relation to their slaves, such arrangements as they may deem most advantageous to themselves—to

have been brutalized and degraded by a long series of wars and misgovernment, *what rights* they can exercise with advantage to themselves and to the community."

The same writer says that, "Even slavery itself may be, in all probability, to a certain extent, a means of increasing the quantity of exchangeable value in the world; but will any one recommend it as a means of augmenting the mass of human happiness? No! Wealth may be purchased at too high a price, if that price be the degradation and suffering of those who produce it. \* \* \* The science of wealth may just as frequently lead to what will injure as what will benefit the human race."—page 54.

Every measure that tends to increase production, tends to an improvement of the condition, physical, moral, and political, of the labourer. The science of wealth teaches the means of benefiting the human race, and points to the causes of injury only with a view to enable mankind to avoid them.

grant to their neighbours what they desire for themselves—the secure enjoyment of all the rights of property.

If the people of England desire to co-operate in advancing the period of emancipation, they can best do so *by abolishing existing restrictions upon their own action*. The more perfect the freedom they enjoy, the more certain will be the freedom of the slave. By repealing her corn-laws—by abolishing restrictions upon the employment of capital—England will increase the demand of her own citizens for cotton and other products of slave-labour. By exciting in her own labourers and land-owners, and in those of Ireland, an increased desire for improvement of condition, producing increased disposition for exertion and increased facility of accumulation, she will do much to improve the condition of the whole human race. By her restrictions she has contributed greatly towards keeping the people of the continent in their present condition; but it may be hoped that the time is now rapidly approaching, when she will adopt a contrary course. By so doing, she will do more good to the slaves, and more effectually promote their interests, than by sending twenty, fifty, or one hundred millions of pounds sterling, to pay for granting them that freedom which they are totally unfit to use with advantage.

She has expended twenty millions of pounds in the emancipation of the slaves of the West Indies, and the total value of property is now, we believe, less than it was before that expenditure. The people of Great Britain are worse, to the amount of one hundred millions of dollars, and it is at least doubtful if the condition of the slaves has been improved. No sudden change can possibly be advantageous. *No such change will ever be recommended by sound political economy: nor will it ever require such sacrifices as have now been made.* All that it would have required of the people of Great Britain would have been to examine carefully what were their own interests, and what those of the colonies. Had this been done, it would have been seen that the same end could be obtained by allowing those colonies to trade with all the world, selling in the dearest market, and purchasing in the cheapest: by relieving them from the monstrous oppression of paying high prices to their fellow colonists of the Canadas: by freeing them from the taxes now imposed for the

purpose of paying a large body of troops, and an extensive and well paid civil and ecclesiastical establishment: in short, by allowing them the benefits of *free trade and cheap government*. Had the islands been invited to form a government for themselves, they would very soon have shown that they could still be profitably cultivated; that, left to themselves, they could cause capital to accumulate; and that, with increased capital, there would be an improvement in the condition of the slave that would gradually lead to freedom.

It must always be borne in mind, that the surest way to promote the freedom of the slave is to increase his value. *Every step that has a contrary tendency is calculated to continue the system*, and those persons who have scruples of conscience regarding the consumption of the products of slave-labour, and those others who are endeavouring to lessen the value of the slave to his master, are doing all that is in their power to produce that effect. Let the United States continue at peace, and let the growth of capital continue at its present rate, and it is not more certain that the sun will rise than it is that it will become the interest of the owners to pursue a course that will lead ultimately to the abolition of slavery. By it the slaves will be gradually prepared for freedom, and when it comes, they will appreciate its advantages.

The question whether a man shall or shall not be a free agent, is a very serious one to those always accustomed to be free; but to a man who has never been so, it is secondary to many others; and it is properly so. Of what importance is nominal freedom, if accompanied by starvation? The runaway convict in Australia has freedom, but the necessity of obtaining provisions brings him back to his work, and perhaps to punishment.

In many parts of Europe which now pride themselves upon the abolition of slavery, are to be found thousands of able-bodied and active men, who would bind themselves for life on condition of obtaining good food and good clothing. They are free, but they desire not to be so. They wish to continue to cultivate their patches of land, yielding them the smallest possible quantity of the necessaries of life, but they are not wanted and are driven away, that their places may be occupied by others, who may be driven away in their turn. To persons



so situated freedom is but a name, as it brings with it no one advantage. If their labour were of value, the owner of capital would give a bonus to secure their services. It has no value, and the capitalist desires to send them to seek elsewhere the means of support.

The people of India are nominally free, but they must cultivate the land set apart for them, and must pay taxes upon it, be the crop what it may. If one man's crop fail, his neighbour must make it up, and thus the idle and worthless must be provided for by the industrious and economical.\*

The slave is liable to be sold, but his value is great, and his owner must, if he regard *his own interest*, take good care of him. Such is not the case in India. There the master turns his slave adrift without hesitation, always sure of having new applicants for the vacant situations, be the terms what they may. What is the cause of this difference? Why does the land-owner in the one country pay high prices for the services of a few slaves, while in the other, men that might be made equally productive, are turned adrift as totally useless? The answer is, that in the one country the policy of the government promotes the demand for labour, and in the other it represses it. In the one country, wars and heavy expenditure of every kind absorb capital, while in the other it is left to accumulate. In the one, capital and the value of labour were, for centuries, diminishing, while in the other both are rising daily, and *self-interest*, the most important motive-power that we know of, is thus enlisted in the cause of the labourer. The rapid increase of capital requires a rapid increase in the number of labourers. What is it that is most to be desired in Ireland? It is that the landlords should remain at home—that they should watch over their tenants—that they should economize their means, and improve their roads—that they should invest their capital in such a way as to produce demand for labour and consequent increase of remuneration, and that the government should abolish taxes, and thus enable the labourer to obtain a larger portion of the necessities of life.

The labourer would be no more a free agent under such a sys-

\* See vol. ii., p. 54.

tem than he is now, but he would *gradually become so*. He would by degrees accustom himself to the possession of property and the management of it. So will the slave.

In the United States, every one of the above conditions is complied with. The landlords remain at home: they cause their means to increase: they improve their roads: they invest their capital in such a way as to cause new demands for labour: and the government is cheap, and can dispense with taxes. Labour rises daily, and will continue to rise. The remuneration of the slave is daily improving, and the necessity for care is daily increasing, and must continue to do so, unless the opponents of slavery can succeed in rendering labour unprofitable. In that case the slaves of the United States may be reduced to the condition of the people of India.

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Looking to ASIA, we find throughout a confirmation of the views we have submitted to the reader. Everywhere we find man desiring to tyrannize over his fellow men, warring against and plundering him: everywhere we find licentiousness and immorality: everywhere we find the people poor and wretched, and the sovereign powerless, while a host of subordinates fatten upon the contributions exacted from the unfortunate cultivator, or manufacturer.

In RAJPOOTANA we find the feudal system, the natural growth of war. As was the case in France, numerous chiefs exercise all the powers of sovereignty, making war and peace at their pleasure, and obeying or disobeying a phantom sovereign, as best suits their convenience. There is no security for person or property, and consequently there can be no improvement of condition.

HINDOSTAN, at the time when the central authority was sufficient to maintain order, appears to have enjoyed a high degree of prosperity. Each village constituted a little republic, having officers for the maintenance of the public peace, and for other purposes. The contributions to the state are estimated to have been one-thirteenth of the produce of the land. Wealth increased, and education was generally disseminated, and nothing was required but peace and security to give to the people the right of controlling the action of their government. Unfortunately, however,

such was not to be the case. Invasions and a constant succession of wars, accompanied by increase of taxation, deteriorated the condition of the people, and destroyed the power of the crown, which was gradually assumed by its officers, and with the distribution of power there was an increase of its intensity. New wars required new contributions, and the contribution of the cultivator was gradually raised to one-half. Increasing poverty tended still further to diminish the power of the sovereign, and by degrees offices of all descriptions became hereditary, their holders plundering the people, and plundered in turn by those above them. "The havildar, the head of a village, calls his habitation the durbar, and plunders of their meal and roots the wretches within his jurisdiction; the zemindar fleeces him of the small pittance which his penurious tyranny has scraped together; the phoosdar, a military commandant of the province, seizes on the zemindar's collections, and bribes the nabob's connivance in his villanies by a share of the spoil; the covetous eye of the nabob ranges over his dominions for prey, and employs the plunder of his subjects in bribing or in resisting his superiors."\*

The establishment of British dominion in India, although attended with much oppression and injustice, has at least had the effect of restoring order. Private war is at an end. To a great extent power is now united in a single body, and peace can therefore be maintained. Advantageous as it is, the cost is unfortunately very great, and the contributions therefor press heavily on the labourer, and prevent the rapid increase of capital that would otherwise take place. The unfortunate idea that the wealthy people of England have a right to obtain a large revenue from the poor and oppressed people of India, continues a system of taxation adverse to the free application of capital and labour, and thus prevents a rapid increase of production. Nevertheless, there is a steady improvement of condition.

It is hardly to be doubted that the time will soon arrive when India will cease to be looked upon as a source of revenue. Existing restraints will then be abandoned. Security will be increased, and labour and capital will be profitably employed.

By degrees the physical and moral condition of the people will be improved. They will gradually fit themselves to fill important offices in the state, and ultimately the free system of England will be planted in Hindostan, thence to extend itself over the continent, diffusing happiness and prosperity, the consequences of peace.

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The facts we have submitted must, we think, satisfy the reader that the extent to which various nations of the earth have been able to maintain and to exercise their own rights, has been in precisely the ratio of their respect for the rights of others. War and plunder have produced insecurity, poverty, disunion, and slavery, while peace has been accompanied by security, increase of wealth, physical and moral improvement, union of action, and freedom, tending to further physical, moral, and political improvement. History, therefore, teaches us that it is only by respecting the rights of others—by doing unto others as we would have others do unto us—that we can hope for improvement of political condition.

## CHAPTER VII.

## OF THE INFLUENCE OF POLITICAL CONDITION ON THE PRODUCTION OF WEALTH.

IN the Second Part of this work we offered our readers a view of the political condition of the people of Hindostan, France, England, and the United States, showing to what extent their institutions had tended to enable them to exercise in security the rights of person and property,\* and what proportion of the produce of labour had been required for the maintenance of those institutions.† The result of our examination was, that the cost of government was in the inverse ratio of the security and freedom enjoyed‡—that in India the labourer knew little of the rights of person and property, and the government took a large proportion of the very small product of his labour, while in the United States, and particularly in New England, was to be found the highest degree of security—the most perfect freedom in the application of time, talent, or property to the business of production—the highest degree of control over the application of such portions thereof as were needed for the maintenance of security—the nearest approach to perfect self-government—the most productive application of labour, with the smallest demands upon the labourer for the payment of those persons charged with the direction of the business of the state.§ In the one we found political freedom and a high

\* Chapters ii. and iii.

† Chapter iv.

‡ Chapter xi.

§ “L'intérêt personnel, encouragé par cette grande liberté presse vivement et perpétuellement chaque homme en particulier de perfectionner et de multiplier les choses dont il est vendeur; de grossir ainsi la masse des jouissances qu'il peut procurer aux autres hommes, aussi de grossir par ce moyen la masse des jouissances que les autres hommes peuvent lui procurer en échange. *Le monde* alors va de lui même; le désir de jouir, et la liberté de jouir, ne cessant de provoquer la multiplication des productions et l'accroissement de l'industrie, ils impriment à toute la société un mouvement qui devient *une tendance perpétuelle vers son meilleur état possible.*”—*Mercier de la Rivière, ii., p. 444.*

A distinguished writer of our time speaks of government as “the most difficult of all sciences,” and hopes there will be “a further application of the division of labour,

productive power, and in the other a total absence of freedom and a low power of production. The result of a comparison of England and France was similar. In the one we found peace and security—a high degree of political freedom—and a high power of production, while in the other we found a perpetual succession of wars—an almost total absence of security—and a low productive power.

In Hindostan we found a dense population in a state of poverty, while in England we found a population almost equally dense, enriched by peace. In France we found a more scattered population impoverished by war, while in the United States, with still diminished density, we observed a rapid accumulation of capital, the consequence of peace and security. England, with her dense population, was seen to derive from the cultivation of the inferior soils, a constantly increasing return to labour, while the people of the United States, though widely scattered,

the principle upon which all government is founded, by providing an appropriate education for those who are to direct the affairs of the state.”—*Senior. Outline of Political Economy*, p. 160.

If government is to regulate and control the affairs of individuals, no education is sufficient. A Metternich or a Chatham is as likely to do mischief as a Newcastle or a Bute. Men must be permitted to manage their own affairs in their own way, and when this is done, the science of government is most simple. Mr. Senior's suggestion would shut out almost every distinguished man of our age.

Mr. Scrope is of opinion that—

“The right of every individual in this matter is not to *self-government*, but to *good government*—to that form of government which is most highly conducive to the general welfare—a right to have his happiness consulted, and his rights protected, by the authorities entrusted with power, in the same degree with those of every other person in the community.”—*Scrope's Political Economy*, p. 23.

The best government is that which permits men to exercise their own judgments in the application of their time, labour, and property, with a view to the improvement of their condition, and thus to obtain the largest quantity of commodities in exchange for their labour, and that it is which leads directly to self-government. The characteristics of “good” government vary with the opinions of those who exercise power over their fellow men. Napoleon thought a conquering government was a good one. Philip II. had the same idea of a persecuting one. In the system of self-government there can be no such differences. When the principle is fully carried out, it secures to each man the right of applying his labour and his capital in the manner that appears *to himself* most likely to promote improvement of his condition, physical, moral, and political, and consequently deprives all others of *the right*, while it relieves them from *the duty* of directing him.

and cultivating, to a great degree, the superior soils only, obtained a still larger return; and in both countries labour was seen to be more productive than in France, which is less densely peopled than the first, and more so than the last. In all, the productive power was found to be in the ratio of political freedom—of the secure enjoyment of the rights of person and property.

We have now shown that every increase of the productive power has a direct tendency to cause an improvement of political condition, or in other words, an increase in the amount of security enjoyed, attended by a diminution in the cost thereof, and leading to further increase in the power of production, and further improvement of physical, moral, and political condition.

A careful examination of the facts we have offered to the consideration of the reader must, we think, satisfy him that, when nature is left free to work her own way, there is a constant tendency towards equality of political condition, and that that tendency is strongest where the greatest equality of rights now exists, because there is to be found the highest productive power. He must also, we think, be satisfied that perfect equality can be retarded, or prevented, only by wars, bearing in their train murder, famine, and desolation, preventing improvement in the physical and moral condition of *all classes of society*. By such means, and such means only, can inequality of political condition be maintained. The real interests of all point, therefore, in the same direction—to peace and tranquillity—leading eventually to self-government.

Changes in the political condition and relations of society may, however, produce insecurity of person and property, and thus measures adopted for the purpose of improving the condition of man, may lead to its deterioration. It becomes, therefore, important to inquire into the manner in which they are effected, with a view to ascertain under what circumstances they tend least to interfere with the productive application of labour, with the increase of wealth, and with *permanent* improvement in the *physical, moral, and political condition*. The result of such an examination will be to show, conclusively, that, where the people are already most free—where person and property are most secure—there is the least tendency

to those violent changes of internal or external relations by which security is liable to be diminished—the strongest disposition to maintain peace abroad and to follow the example of nature in making alterations at home, by accomplishing them so gently and gradually as to do least violence to existing interests or feelings; whereas, where men are least free—where they use the sword and the musket instead of the plough and the shuttle—where the moral and physical condition of the people deteriorates instead of improving—are to be found a constant succession of wars abroad, and revolutions at home, accompanied by the plunder of property, the violation of female honour, and the destruction of life.

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In INDIA, all revolutions have been accompanied by violence. Almost every sovereign in succession has obtained his seat by the murder of his predecessor, frequently accompanied by that of all his relatives and friends.

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In FRANCE, the power of controlling the operations of the government is still limited to a very small portion of the nation, yet their influence is manifest in the increased disposition for the maintenance of peace. The sovereign, compelled to consult the feelings and wishes of the people, is no longer at liberty to carry his arms into Italy or the Netherlands, in the hope of adding new provinces to his kingdom, but, on the contrary, he feels a necessity for interposing for the maintenance of peace among his neighbours. The thirst for glory still exists among a considerable portion of those who influence the action of the nation, and hence we find large fleets and armies employed in carrying on hostilities with the people of Africa, and of North and South America. The tendency to war is, nevertheless, greatly diminished, and the attention of both people and government is now given to the making of roads and canals, tending to the establishment of increased intercourse and increased harmony of feeling between the various portions of the kingdom. Many of the restraints upon internal trade are abolished, and men acquire more full enjoyment of the rights of property. Increased freedom of action and of trade is accompanied by increased productiveness



of labour, giving to the will of the people increased power; and with this alteration in *the spirit*, we find an almost universal demand for an alteration in *the form* of government, by an extension of the right of suffrage. The means that are now used for the accomplishment of this revolution in the state are, however, widely different from those required half a century since. Then it was the insurrection of a people who had no political rights, and it was accompanied by plunder and massacre. Now it is the peaceful demand of an important portion of the people, gradually accustomed to the exercise of a portion of their rights, and it will probably be accomplished without the slightest disturbance of security, either of person or property. Then, each little community throughout the kingdom, ignorant of the proceedings of others, acted for itself, and was consequently without weight, whereas now the means of communicating and exchanging ideas are such that the whole body of the people act as one man, and the mass is such as to insure respect. Thus political freedom tends at once to increase of the means of communication and of production, and the facility of obtaining, by united and peaceful action, a further extension of political rights.\*

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IN ENGLAND, under the Plantagenets, changes in the political relations of society were effected by force of arms. At a subsequent period, when the power of the commons was there fully established, peaceful remonstrance and the withholding of supplies effected the various extensions of their political rights. The diminution of those rights under the Tudors, produced the civil war of 1642; but a consequence of the existence of great political freedom was, that no similar war was ever attended

\* "Enlightened opinion in a nation advances gradually against all obstacles; finally overcomes and proves strong enough to destroy them; but, in the baleful days of wild revolution, the masses, once set in motion, prostrate whatever they meet, and, confounding every thing in their blind excitement, sweep away together institutions as well as abuses. Then, positive religion, its ministers, its holy creeds, all are trampled down with contumely. All dikes are broken up; license and immorality rush in; nothing survives in the heart or conscience of the people; and when their regeneration is undertaken, it is discovered that the foundations have disappeared. Such is the situation of France; such will be that of Spain, when she shall begin to recover from the delirium by which she is now carried away."—*Ramon de la Sagra*.

with so few violations of the rights of person or of property. The restoration of Charles II., and the revolution of 1688, were, in like manner, accomplished with less diminution of security than had ever before been exhibited. With the increased power of the people we find, in our own day, the passage of the reform bill, equivalent to another revolution, accomplished by a decided expression of the will of the people, and without the slightest necessity for the use of force.

The secure enjoyments of the rights of person and property—political freedom—was but little known under the Plantagenets. Men were taxed at discretion. Under the Tudors, they were restrained from engaging in certain departments of production or of trade, because of monopolies granted to individuals. Many of those restrictions have endured to the present time, and others have been created, but the increasing power of the people enables them gradually to enter upon the exercise of their rights, in applying themselves freely to the production and exchange of commodities of every description. Exclusive privileges and monopolies are rapidly passing away. Some yet remain, but from the rapid progress of the last twenty years it may safely be predicted that a very brief period will see them brought to a close. Interference by portions of the nation with the affairs of other portions will thus cease, while the continuance of peaceful policy must lead to a daily diminution of the necessity for interference by the state in the form of excise and other taxes; and men will gradually and peaceably, *and therefore permanently*, establish their right to apply their time, their talents, and their property in such a manner as they may deem most likely to contribute to the improvement of their condition.

At no period was the tendency to peace and tranquillity so great as at the present time. The control of the government is now, in a great degree, in the hands of those who contribute to its support, and they feel that internal and external peace tends to diminish taxation, to promote the growth of capital, and to render their labour productive. As power shall pass gradually more and more into the hands of those who pay taxes, there must be a constantly increasing indisposition to wars and revolutions, attended with a steady improvement of physical and moral

condition.\* When power was in the hands of the few, who divided among themselves a large portion of the revenue from taxation, the disputes respecting Nootka Sound, or the Falkland Islands, were sufficient to induce large expenditure, and war between other nations was hailed as affording the means of profiting at the cost of the belligerents, whereas in the present day we see the most important questions settled without resort to arms, and England offering herself as mediator between France and the United States, thereby securing the continuance of peace.

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The revolution by which the UNITED STATES were separated from Great Britain, was accomplished with less interference with the rights of person and property, than had ever before marked a similar occurrence. It was also marked by an indisposition for change in the organization of their political institutions, and thus we have seen several of the states continuing, until quite recently, to act under the original charters derived from the sovereigns of England, as Rhode Island still does.† Such was the natural consequence of the liberty previously enjoyed.‡

\* A recent writer says—

“Hitherto there has been but one democracy in the world; and the people of the United States have never suffered the economical evils of low profits and low wages. What will happen here, (in Great Britain,) if popular power should be established, with popular discontent?”—*Wealth of Nations, Preface by the author of England and America.*

Low wages and low profits are the result of interferences with the employment of labour and capital. Every increase of popular power is attended by the removal of restraints, and the diminution of cause for “popular discontent.”

† “The revolution of the United States was the result of a mature and deliberate taste for freedom, not of a vague or ill-defined craving for independence. It contracted no alliance with the turbulent passions of anarchy; but its course was marked, on the contrary, by an attachment to whatever was lawful and orderly.”—*De Tocqueville, vol. i., p. 89.*

‡ “When, in 1830–31, popular reaction spread through the whole of Switzerland, and overturned or remodelled every one of the remaining sixteen cantons, the six democratic cantons not only partook not in the general ferment, but looked on the popular movement with particular mistrust and aversion. The conservative principle of America has been remarked as something strange, but if conservatism is attachment to things as they are, it can nowhere be more strongly pronounced than when the great majority are attached to their political institutions. Therefore, at this crisis, the democratic cantons displayed the utmost

Soon after the peace it was seen that a different form of association was required, as that which had sufficed to carry them through the war was entirely insufficient. By degrees the feeling of the necessity for united action became general, and delegates were appointed to a general convention, which framed the existing constitution, which has now endured for half a century. It was, says M. de Tocqueville, "a novelty in the history of society to see a great people turn a calm and scrutinizing eye upon itself, when apprized by the legislature that the wheels of government are stopped; to see it carefully examine the extent of the evil, and patiently wait for two whole years until a remedy was discovered, which it ultimately adopted, without having wrung a tear or a drop of blood from mankind."\*

The same writer says, that in no country is the tendency to revolution so small as in the United States.† That such should be the case is not extraordinary, where every man enjoys an equal share of rights with his fellow men—where freedom of action enables every man to apply his labour or talents productively—where every man, by industry and exertion, can acquire property—and where the great mass of those who control the action of government are possessed of property, and desire the maintenance of perfect security. The consequence is, that in no part of the world does that state of feeling termed radi-

conservativeness. At the diet of Lucern, each of the cantons, by its deputies, expressed its opinion on the late events. The feelings of the six cantons present a strange contrast with the others—strongly mistrustful and cautious, such as in our experience, limited as yet in forms of government, would be supposed to proceed from some close corporate body, or select vestry, not from a council elected by the universal suffrage of every male who has completed his eighteenth year, and who has been at school. \* \* \* The democratic cantons allow to the people the uncontrolled right of electing deputies to the federal council, of choosing the members of the executive, legislative, and judicial bodies, either in their general or their communal assemblies, and the right of a ratification is reserved to them in their public assembly. This organization is democracy in its purest form, and, true to its spirit and name, gives to the majority of this assembled multitude, at intervals, the exercise of unlimited power."—*Urquhart's Turkey*, p. 305.

\* *Democracy in America*, vol. i., p. 161.

† In America, public opinion "acts by elections and decrees; in France, it proceeds by revolutions."—*Democracy in America*, vol. i., p. 179. "In countries where associations are free, secret societies are unknown. In America there are numerous factions, but no conspiracies."—*Ibid.*, vol. ii., p. 39.

calism, implying thereby a hostility to all existing institutions, so little exist. In none is that which is termed conservatism so universal. M. Chevalier says, and with truth, that "one who, in Europe, would not be reckoned among the bold-est, would here be deemed an audacious innovator."\*

M. de Tocqueville says that, "In America, those complaints against property in general, which are so frequent in Europe, are never heard, because in America there are no paupers; and as every one has property of his own to defend, every one recognises the principle upon which he holds it. The same thing," he says, "occurs in the political world. The lowest classes have conceived a very high notion of political rights, because they exercise those rights, and they refrain from attacking those of other people, in order to insure their own from attack."†

The right of self-government being fully established, there can arise no questions but those of administration, and thus the people of the United States are exempt from discussions such as now agitate England and every other part of Europe. A large portion of those which do arise are unimportant in themselves, and acquire importance only because nothing more serious occupies the public mind.‡ In relation to the very important

\* Tome i., p. 171.

† Democracy in America, vol. ii., p. 128.

‡ "All the domestic controversies of the Americans at first appear to a stranger to be so incomprehensible and so puerile, that he is at a loss whether to pity a people which takes such arrant trifles in good earnest, or envy that happiness which enables it to discuss them."—*De Tocqueville, vol. ii., p. 10.*

The remarks of Captain Hall upon the divisions of parties in England, compared with the continent, are still more true in reference to parties in the United States.

"Before leaving this topic," says the captain, "I may be allowed to advert to one striking effect of a considerable length of residence abroad, which is to soften the asperity of political feeling, as regards party spirit in our own country. The whole frame-work of society, political and moral, on the continent, is so different—indeed so diametrically opposed in most things to what we have in England, and is often so degrading, and, I may well add, disgusting to us—that we come in time, and at a distance, to look upon the differences amongst our own politicians as comparatively trifling shades of the same thing, which, when we consider the gulf lying between England and the continent, are really not worthy of being named. We have a Protestant church, and we have genuine liberty—two blessings which, I affirm, no one can value to their full extent till they visit Italy and Austria."—*Schloss Hanfield.*

question of peace or war, the tendency of popular institutions to promote steadiness has been most conspicuously displayed. During half a century, no war has been waged, except one with England, a little exceeding two years in duration, one of a few months with France, and those with the Barbary powers, provoked by piracies upon their trade. The action of free governments is proverbially slow, and that of the United States is more so than that of any other, because nothing can be undertaken until at least one-half of the people are disposed for it. The benefits of peace are universally felt and acknowledged, and as war must be accompanied with increased taxation, nothing but a feeling of absolute necessity can produce it. The union, therefore, in the same hands, of the *right* to declare war, and the *duty* of paying for it, tends directly to the continuance of peace, to the maintenance of security, to the increase of the productive power, and to the amelioration of the condition of man.

It is a very common opinion, that the course of popular governments is less steady than that of absolute monarchies; but an examination of the facts will show that such is not the case—that steadiness is a characteristic of the government of the people—and that it *could not possibly be otherwise*.\* It might, perhaps, be more correct to say *steadiness in the promotion of the interests of the people*, as arbitrary governments, however fickle they may be in those matters in which the people are interested, are very often steady in the course which is likely to gratify the ambition of the monarch. Thus France has had but one object in view; that of aggrandizement, not of the people, but of the monarch; but that unity of purpose, in her various sovereigns, has led to constant change in the system by

\* "In the United States the democracy perpetually raises fresh individuals to the conduct of public affairs, and the measures of the administration are, consequently, seldom regulated by the strict rules of consistency or of order. But the general principles of the government are more stable, and the opinions most prevalent in society are more durable than in many other countries. When once the Americans have taken up an idea, whether it be well or ill founded, nothing is more difficult than to eradicate it from their minds. The same tenacity of opinion has been observed in England, where, for the last century, greater freedom of conscience and more invincible prejudices have existed, than in all the other countries of Europe."—*Democracy in America*, vol. ii., p. 27.

which the welfare of the subject was to be affected. Her history, for a long period of time, is a constant succession of wars, followed by truces, preparatory to new wars. The same may be said of Russia, Spain, and Austria, by whom the continent has been kept in a state of confusion, without, in any one case, the subjects having the slightest interest in the disputes which occasioned those wars. Napoleon had unity of purpose, as regarded himself: peace was made, or war was declared—the connexions between France and Germany were broken, reunited, and broken again—without the slightest regard to the interests of the people. The gratification of his pride, vanity, and ambition, was, with him, paramount to every other consideration, and the consequence was constant and unceasing change of policy in all matters in which his subjects had an interest.

Let any merchant of the United States, or England, examine the course of France, Russia, and Austria, during the thirty years from 1790 to 1820, and say if it would have been possible for him to have felt security of person or of property, or to have carried on business with advantage. He would see that there had been a constant transition from a state of peace to a state of war, and from war to peace; that arrangements entered into during peace were to be completed during war, and *vice versa*; that the people to whom he would have given credit were constantly liable to have their crops destroyed, their houses burned, and their property seized for the use of armies, either of friends or foes; and that it was impossible at any time to know, at the commencement of a year, with certainty, to what sovereign any province would belong at the close of it. He would see that it would have been impossible, and that however flattering to the pride of the sovereign such a policy might be, it was ruinous to his subjects.

In Great Britain, the management of affairs has been in the hands of an aristocracy, whose interests have been to a certain extent, identified with those of the people, and the course has been different. To them, foreign conquests were of no value, unless deemed likely to aid in the extension of commerce. Colonies were deemed useful for that purpose, and under the erroneous impression that public and private interest could, in this way, be promoted, they have spent immense sums in securing the pos-

session of numerous dependencies, that will never be productive until they become, as they soon will, independent. Although internal peace has been maintained, there has been a constant succession of foreign wars, requiring large revenues, much of which has been distributed among the governing class, while nearly the whole expense of supporting them has been made to fall upon that portion of the nation which had little voice in their commencement, or conduct. Here, then, has been a course very steady, as regarded the interest of a class in the nation, but unsteady as regarded the mass. Fortunately the interests of that class did not differ so much from those of the people, as did those of Napoleon and Louis XIV.

The United States have pursued a course that is very steady, and calculated, as in the former case, to promote the interests of the *ruling power*. That power is, however, in this case, *the whole body of the people*. Common sense teaches that a man will prosper most when he minds his own business, and that if he undertake to meddle in that of his neighbours, he will lose his time, and, perhaps, suffer in his person. Obedient to its dictates, their government has made it a rule to let all nations settle their own affairs as seemed best to them, and thus they have almost entirely avoided wars; having had none that have not been forced upon them. *In this they have been very steady*. It has been a part of the policy of the nation to let every man manage his own affairs as he might think most for his own interest, but, attributing to wrong causes the troubles that arose out of the transition from a state of war to a state of peace, the people were persuaded, after many years of effort on the part of the friends of the restrictive policy, to make a change in the system. The impolicy of such restraints soon became obvious, and the nation is now retracing its steps, gradually approaching freedom of trade.

There has been less steadiness in this respect, within the last twelve years, than in any other matter whatever, and yet there is probably nothing that proves more fully the tendency thereto of popular governments, compared with those controlled by the will of an individual. Many years elapsed, during which the advocates of the system of interference exhausted all their arguments, before a change could be effected, and even then it



was moderate. Further exertions succeeded in producing a further alteration; but the whole operation required about a dozen years. It required so much time because it was necessary to convince the people and their representatives, as until they were convinced, no change could be made. During the same period, the tariff of Russia had been repeatedly altered.\* When it was deemed necessary to remove the restrictions that had been imposed, it was done in the most gradual manner, ten years being given for attaining the lowest point desired. Individuals who embark their capitals in the one country, know that no change can take place without due notice, as it can only be done by a majority of the people themselves; whereas, in the other there is no security that changes shall not take place from week to week. It is much more easy to convince one man than the majority of a large nation, with interests so different, and apparently so opposite, as are those of the United States.

At the very time that the passage of the tariff indicated a change of system, offers were made to all the nations of the world to abolish all discriminating duties on shipping, thus showing the tendency towards free trade, and freedom of action. Happily, the question of protection is now settled forever. The United States will undoubtedly soon set the example of unlimited freedom as regards the employment of capital, and it will be persisted in with steadiness, because the result of a conviction that each man is entitled to enjoy uncontrolled power over the proceeds of his labour.

Economy in an individual is deemed advantageous; and following out the rule of applying to the affairs of the nation the same maxims by which those of private persons should be governed, there has been a *tendency* towards economy. It would have been greater, but that the people have deceived themselves by indirect taxation, fancying it better to have money taken

\* "The legislation of an individual who is the supreme head of a state, pursues a different course from that taken by conflicting powers in a free state; where, without violating the public peace and the forms of law, nothing but gradual concessions can be wrung, sometimes by lulling fears, sometimes by rousing them, from the possessors of privileges that have become exorbitant; above all, where their sway is a usurpation."—*Niebuhr's Rome*, vol. i., p. 327.

out of their pockets than to be called upon to pay it out. Nevertheless, the proportion of the proceeds of labour required for the maintenance of government is but little more than two per cent.\*

In fine, the government of the United States may be cited as a model of steadiness of action, and it must continue so, unless one of the laws of natural philosophy shall prove false. It is a principle of that science that equal forces acting from all directions produce equilibrium. In the United States those forces are in perpetual action. The North and the South, the East and the West, have *apparently* different interests, and there are always persons whose views of aggrandizement make it expedient to inflame any difference that may exist. If they did not meet with antagonist forces, injurious effects might be produced, but it invariably happens that they are brought into action, and thus the attempt fails.

The following view of the newspaper press of the United States, by M. de Tocqueville, conveys a very good idea of the effect that is produced by this constant conflict of interests and opinions, each of which is represented by its own newspapers.

"America is, perhaps, at this moment, the country of the whole world which contains the fewest germs of revolution; but the press is not less destructive in its principles† than in France, and it displays the same violence without the same reasons for indignation. In America, as in France, it constitutes a singular power, so strangely composed of mingled good and evil, that it is at the same time indispensable to the existence of freedom, and nearly incompatible with the maintenance of public order. Its power is certainly much greater in France than in the United States; though nothing is more rare in the latter country than to hear of a prosecution having been instituted against it. The reason of this is perfectly simple: the Americans, having once admitted the doctrine of the sovereignty of the people, apply it with perfect consistency. It was never their intention to found a permanent state of things with elements which un-

\* See vol. ii., p. 379.

† The reader will see that on a subsequent occasion M. de Tocqueville expresses the opinion that "the extreme license of the press tends directly to the maintenance of order." If the press were governed by men whose principles were destructive, its license would produce confusion and disorder—insecurity of person and property.

dergo daily modifications; and there is, consequently, nothing criminal in an attack upon the existing laws, provided it be not attended with a violent infraction of them. \* \* \* \* The small influence of the American journals is attributable to several reasons, amongst which are the following:—The liberty of writing, like all other liberty, is most formidable when it is a novelty; for a people which has never been accustomed to co-operate in the conduct of state affairs, places implicit confidence in the first tribune who arouses its attention. The Anglo-Americans have enjoyed this liberty ever since the foundation of the settlements; moreover, the press cannot create human passions by its own power, however skilfully it may kindle them where they exist. In America politics are discussed with animation and a varied activity, but they rarely touch those deep passions which are excited whenever the positive interest of a part of the community is impaired: but in the United States the interests of the community are in a most prosperous condition. A single glance upon a French and an American newspaper is sufficient to show the difference which exists between the two nations on this head. In France the space allotted to commercial advertisements is very limited, and the intelligence is not considerable, but the most essential part of the journal is that which contains the discussion of the politics of the day. In America three-quarters of the enormous sheet which is set before the reader are filled with advertisements, and the remainder is frequently occupied by political intelligence or trivial anecdotes: it is only from time to time that one finds a corner devoted to passionate discussions like those with which the journalists of France are wont to indulge their readers. It has been demonstrated by observation, and discovered by the innate sagacity of the pettiest as well as the greatest of despots, that the influence of a power is increased in proportion as its direction is rendered more central. In France the press combines a twofold centralization; almost all its power is centred in the same spot, and vested in the same hands, for its organs are far from numerous. The influence of a public press thus constituted, upon a sceptical nation, must be unbounded. It is an enemy with which a government may sign an occasional truce, but which it is difficult to resist for any length of time. Neither of these kinds of centralization exists in America. The United States have no metropolis; the intelligence as well as the power of the country are dispersed abroad, and, instead of radiating from a point, they cross each other in every direction; the Americans have established no central control over the expression

of opinion, any more than over the conduct of business. These are circumstances which do not depend on human foresight; but it is owing to the laws of the Union that there are no licenses to be granted to printers, no securities demanded from editors, as in France, and no stamp-duty, as in France and England. The consequence of this is, that nothing is easier than to set up a newspaper, and a small number of readers suffices to defray the expenses of the editor. The number of periodical and occasional publications which appear in the United States, actually surpasses belief. The most enlightened Americans attribute the subordinate influence of the press to this excessive dissemination; and it is adopted as an axiom of political science in that country, that the only way to neutralize the effect of public journals is to multiply them indefinitely. I cannot conceive that a truth which is so self-evident should not already have been more generally admitted in Europe: it is comprehensible that the persons who hope to bring about revolutions by means of the press, should be desirous of confining its action to a few powerful organs; but it is perfectly incredible that the partisans of the existing state of things, and the natural supporters of the laws, should attempt to diminish the influence of the press by concentrating its authority. The governments of Europe seem to treat the press with the courtesy of the knights of old; they are anxious to furnish it with the same central power which they have found to be so trusty a weapon, in order to enhance the glory of their resistance to its attacks. In America there is scarcely a hamlet which has not its own newspaper. It may readily be imagined that neither discipline nor unity of design can be communicated to so multifarious a host, and each one is consequently led to fight under his own standard. All the political journals of the United States are, indeed, arrayed on the side of the administration or against it; but they attack and defend it in a thousand different ways. They cannot succeed in forming those great currents of opinion which overwhelm the most solid obstacles. \* \* \* It cannot be denied that the effects of this extreme license of the press tend indirectly to the maintenance of public order.”\*

We give the above extract, not that we deem it correct throughout, but because it would be difficult to convey a more accurate idea of the causes which tend to promote steadiness of action, than may be obtained from it. Every one urges upon the community the adoption of his peculiar views, or of his

\* *Democracy in America*, vol. ii., p. 19.

candidate: every one makes as much noise as possible, in hopes of drowning the voice of his antagonist, and the consequence is that none are heard; none produce much effect. The vessel of state pursues its course peacefully and tranquilly, influenced to a very small extent by any, a consequence of which is, that "*America is at this moment the country of the world which contains the fewest germs of revolution.*" Every year sees some dispute that, to a person remote from the scene of action, appears very serious, but of comparatively small importance to those accustomed to watch the movements of the machine; precisely as a novice in the art of steam-navigation deems the vessel in most imminent danger at the very moment when, by letting off the steam, she is rendered most secure. In the noisy republic of the United States, there is infinitely less reason to anticipate change than in the quiet monarchy of Austria.

Of the tendency to rest, consequent upon this infinite variety of opposing forces, it would be difficult to find a stronger instance than the following. The Constitution of the United States contains the following article: "The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several states, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several states, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress." Here is a provision for changing the Constitution whenever two-thirds of the representatives shall deem it necessary, provided that three-fourths of the legislatures of the states agree to it; certainly the most simple mode of altering a form of government that could be devised. It is true, that a *bare majority* of the two Houses of Parliament may do the same, but it must be recollected that the people have no control over the House of Lords, whereas the people of the United States, and the people alone, influence the action of both Senate and House of Representatives.

Nearly fifty years have now elapsed since the formation of

the Constitution, during the whole of which time the people have had the power to make alterations, but as yet there has been only one case of a proposed amendment that has been successful. That was made in 1802, and its main object was to do away with a difficulty that arose out of a provision in the Constitution, that two persons should be voted for by each elector, and that the one having the highest number of votes should be president, and the one next in number should be vice-president.\*

That provision was found to work ill when, in 1800, two persons received precisely the same number of votes, and Aaron Burr, who was intended for vice-president, came near being made president, and thereafter the electors were required to designate the person whom they intended for president, and the one for vice-president. In addition, it contained several provisions for securing to the people the enjoyment of the right to the free exercise of religion; to bear arms; to be secure against searches and seizures, &c.

During the whole period there have been complaints that the Constitution did not work well. In turn, the east, the west, the north, and the south, have been dissatisfied. Every session, for many years, has given birth to numerous projects for its amendment, but thus far no one has secured in its favour a sufficient number of votes to pass through Congress, which is only the first step. There is always a majority that prefer the existing system to any that can be substituted. It is the only system of government, the framers of which contemplated the necessity

\* The Constitution of England is only the will of Parliament, and can be changed by a simple majority of both houses. If we compare the changes produced by the bills for relieving the Dissenters and the Catholics—the reform bill—the corporations bill—the tithes bills, and various others, we shall find that they vastly exceed those of the United States. In fact, we believe that almost *any one* of the above is equal to all the changes made in the Constitutions of the United States and of the several states, in half a century. At the present moment new changes are proposed in England, while none are likely to take place in the United States. If we compare the duration of the Constitution of the United States with that of those of France, the difference is immense. Prussia has not changed a *Constitution*, but the whole system of government is changed. The Constitution of the United States is almost the only form of government that has passed through half a century without material change.

of amendment, and provided therefor; and, to all appearance, that provision will secure it against alteration, more effectually than any other course that could have been adopted. Had the English Parliament not possessed the power of amendment, revolutions would have occurred. France had no Parliament, no body like that of England, accustomed to the use of power; there was none of "*that vital instinct which silently adapts constitutions to the exigencies of self-preservation*,"\* and revolution was the only remedy for the evils of the state. Had there been no such provision in the Constitution of the United States as that to which we have referred, it is not improbable that a convention would have been called to remedy imaginary evils that, if left alone, were sure to be remedied by that *vital instinct* which is now silently adapting the Constitution of 1789 to the wants of the people of 1839. Being so called, as it would be difficult to find a body of tinkers that would come together to do nothing, it is probable that they would have made a hole, if they could not have found one. Had the framers of the state constitutions displayed the same wisdom, and provided for amendments, it is probable that the changes would have been smaller than they have been. Whenever the science of government shall have attained perfection, it will be found, that to leave to the people the management of their own affairs, with the greatest facility to check and control their agents, is the sure way to obtain steadiness of action, security, freedom, exemption from taxation, a state of peace, prosperity, and happiness, a rapid increase of wealth, and the establishment of THE GREAT DEMOCRATIC PRINCIPLE, THAT EVERY MAN IS, EQUALLY WITH HIS NEIGHBOUR, ENTITLED TO PERFECT SECURITY OF PERSON AND PROPERTY, AND EQUALLY BOUND TO CONTRIBUTE FOR ITS MAINTENANCE, IN PROPORTION TO HIS INTEREST.

\* Niebuhr's Rome, vol. ii., p. 168.

## CHAPTER VIII.

## REVIEW.

## M. DE TOCQUEVILLE.

No work treating of the political condition of man has recently attracted so much attention as that of M. de Tocqueville,\* and as his views differ in many respects from those which we have submitted to the reader, we shall now proceed to give a few extracts therefrom, with our remarks thereupon.

Nothing in the United States, says M. de Tocqueville, "struck me so forcibly as the general equality of conditions."† Again he says: "The more I advanced in the study of American society, the more I perceived that the equality of conditions is the fundamental fact from which all others seem to be derived, and the central point at which my observations constantly terminated."‡ Further examination would have satisfied him that instead of equality being a "fundamental," it was a *consequential* fact. The law of primogeniture was as firmly established in some of the British provinces as it now is in England, and would have continued to the present moment, had the people and their neighbours been incessantly engaged in plundering and oppressing each other, as has been so much the case in Europe. The "fundamental fact" at the base of the system of equality and political freedom now existing in the United States, is that more than other nations they have obeyed the command, "do unto others as ye would have others do unto you," and they have reaped the advantage in the enjoyment of security, in the rapid growth of wealth, and in the great improvement of physical, moral, and political condition.

M. de Tocqueville thus continues: "I then turned my thoughts to our own hemisphere, where I imagined that I discerned something analogous to the spectacle which the new world presented to me. I observed that the equality of conditions is daily

\* *Democracy in America.*

† *Ibid.*, Introduction, p. xiii.

‡ *Ibid.*, p. xiv.



pressing towards the extreme limits which it seems to have reached in the United States; and that the democracy which governs the American communities seems to be rapidly rising into power in Europe.\* The fundamental fact of the United States is here regarded as being in Europe a consequential one, as it really is in both. The growth of democracy in Europe is in the precise ratio of the increase of wealth. The productive power of England, of France, and of Germany, is now rapidly increasing, and every day gives to the people increased power to discern and to assert their right to perfect freedom in the disposal of their labour, and of the proceeds thereof—to the secure enjoyment of the rights of person and of property—to perfect equality of political condition. The establishment of the system of self-government is the inevitable result of improvement of physical and moral condition.†

The democratic revolution that is now going on, is deemed by M. de Tocqueville to be irresistible, because "it is the most uniform, the most ancient, and the most permanent tendency which is to be found in history."‡ He says—"Whilst the kings were ruining themselves by their great enterprises, and the nobles exhausting their resources by private wars, the lower orders were enriching themselves by commerce. \* \* \* \* Every new discovery, every new want which it engendered, and every new desire which craved satisfaction, was a step towards the universal level. The taste for luxury, *the love of war*, the sway of fashion, and the most superficial, as well as the deepest passions of the human heart, co-operated to enrich the poor and to impoverish the rich."§ He is of opinion that, in perusing the history of France, "we scarcely meet with a single great event, in the lapse of some hundred years, which has not turned to the advantage of equality;"|| the noble going

\* Democracy in America, Introduction, p. xiv.

† "The necessity for external government to man, is in the inverse ratio of the vigour of his self-government. When the last is most complete, the first is least wanted. Hence the more virtue, the more liberty."—Coleridge, *Table Talk*, vol. ii., p. 193. We doubt not the converse of the proposition is equally true, and that we may say, the more liberty, the more virtue.

‡ Democracy in America, Introduction, p. xiv.

§ Ibid., p. xvii.

|| Ibid., p. xviii.

down in the social ladder, and the *roturier* going up, every half century bringing them nearer to each other, until they must shortly meet.\* This phenomenon he does not deem peculiar to France. It meets his eyes in every direction throughout Christendom. "The various occurrences of national existence have," he says, "every where turned to the advantage of democracy; all men have aided it by their exertions; those who have intentionally laboured in its cause, and those who have served it unwittingly; those who fought for it, and those who declared themselves its opponents—have been driven along in the same track—have all laboured to one end, some ignorantly and some unwillingly; all have been blind instruments in the hands of God. The gradual development of the equality of conditions is, therefore," he thinks, "a providential fact, and it possesses all the characteristics of a divine decree: it is universal, it is durable, it constantly eludes all human interference, and all events, as well as all men, contribute to its progress."† Here our good and evil passions are made equally to contribute towards the execution of "a divine decree;" they are "blind instruments in the hands of God," who employs men in the work of murder and of plunder, of ruin and devastation, for the purpose of establishing an equality of conditions among them. If such were the case, should we not see the same approach to equality in Spain, Italy, and India, as in England and the United States? If love of war has in any degree tended to promote equality in France, why has it not done so in India and in Persia? In both it has prevailed universally, and the natural consequence has been, that not only is this "divine decree" evaded, but there has been for centuries past a constantly increasing tendency to inequality of condition, physical, moral, and political.‡ It does not therefore elude "all human interference." Whenever men see fit to set at defiance the one great command, to which we have before so frequently referred—whenever they undertake the work of plunder, oppression, and murder—whenever they avail themselves of any of the remedies for over-population—they, by that act, do what

\* Democracy in America, Introduction, p. xix.

† Ibid., p. xx.

‡ See vol. ii., chap. viii.

is necessary for the maintenance of inequality of condition. The many then become slaves, and the few become masters.

The following observations, in regard to primogeniture, appear to us to conflict very much with the passages we have already offered—

“When the legislator has once regulated the law of inheritance, he may rest from his labour. The machine once put in motion will go on for ages, and advance, as if self-guided, towards a certain point. When framed in a particular manner, this law unites, draws together, and vests property and power in a few hands—its tendency is clearly aristocratic. On opposite principles its action is still more rapid; it divides, distributes, and disperses both property and power.. Alarmed by the rapidity of its progress, those who despair of arresting its motion, endeavour to obstruct it by difficulties and impediments; they vainly seek to counteract its effect by contrary efforts; but it gradually reduces, or destroys every obstacle, until by its incessant activity the bulwarks of the influence of wealth are ground down to the fine and shifting sand which is the basis of democracy.”\*

After expressing the opinion that the gradual development of the equality of condition eludes all human interference, M. de Tocqueville now thinks that the legislature may by law establish inequality, and that it will go on drawing together power and property for a series of ages. We have already differed from him in asserting that man may prevent or delay equality of condition, by constantly engaging in war and plundering his neighbours, and we now differ again with him in relation to the permanent effect of the law of inheritance, or of any other contrivance intended to perpetuate inequality of condition, provided peace and security be maintained, and the productive power be permitted to increase. The tendency to equality is in the ratio of production. Where it is attempted, as by the law of primogeniture in England, to oppose obstacles to its establishment, their duration depends entirely on the peaceful or warlike policy of the nation. During war, production is diminished, the owners of capital take an increased *proportion*,

\* Vol. i., p. 52.

and the government does the same. The people are rendered poor and obedient, while the younger branches of the families of landed proprietors are provided for out of the public revenue. Peace comes and brings with it an increase of production. The labourer takes an increased *proportion* of the product, and the claims of government are diminished. He accumulates capital, and becomes independent. He sees the inequality that is established by law, and feels both the power and the disposition to unite with his fellow labourers in making a change, at the same time that the younger branches of the great families find themselves deprived of the means of support in the army or navy, and feel disposed to unite in effecting a change of system. Every step in the improvement of the political condition of a people tends to the maintenance of peace and the increase of wealth, and the establishment of perfect equality of political rights. In no part of the world is the law of inheritance apparently more firmly established than now in England—in none, apparently, might the legislator, with more security, “rest from his labours”—yet even now the system approaches its termination, and another half century of peace and prosperity will probably see its end.

In France, the law has taken from individuals the control of their property, and has established the mode in which it must be divided. To that law is attributed the very minute division of landed property in that country, yet nothing can be more erroneous. Were peace maintained—were men free to engage in commerce and manufactures—were they at liberty freely to exchange with other nations the products of their labour, production would increase rapidly—there would be great demand for labour in various pursuits—and men would no longer be disposed to vegetate upon a miserable spot of land that could be cultivated only with the spade.

At present the several sons, or sons-in-law, take their shares of a farm, the whole of which is barely sufficient to support a family, whereas, if the market for labour were permitted to increase, one would keep the farm, paying the others the value of their shares, and they would find employment in manufactures or in commerce. The way to reconcentrate the landed property in France, is to permit wealth to increase, being precisely the same remedy that in England now tends to bring to

a close the system which confines the ownership of land to a few persons. Nature will correct all the interferences of the legislature if she be permitted to work, and she always does work when peace is preserved.

The laws of the United States are, as M. de Tocqueville remarks, "extremely favourable to the division of landed property; but a cause which is more powerful than the laws, prevents property from being divided to excess. \* \* \* In Massachusetts, estates are very rarely divided; the eldest son takes the land, and the others go to seek their fortunes in the desert. *The law has abolished the right of primogeniture, but circumstances have concurred to re-establish it under a form of which none can complain, and by which no just rights are impaired.*"\* The abolition of the right of primogeniture was produced by the rapid increase of wealth, and the same cause is now at work to prevent the minute sub-division of the land. Where capital abounds, and men are free to employ their labour as they please, as in the United States, no man will occupy less than is sufficient to yield him full wages for his time, because he can always find employment at such wages in trade or manufactures, as would be the case in France, were wealth permitted to increase. Those who now despair of arresting the progress of sub-division—those who now "vainly seek to counteract its effects by constant efforts"—those who fear that by its incessant activity the bulwarks of wealth will be ground down to "a fine and shifting sand,"—may find a remedy in abstaining from war—in abolishing restraints upon action and upon trade—in diminishing the public expenditure, and in abolishing the conscription. Production will then increase rapidly, but the approach of democracy will then be equally rapid. Its approach is now retarded by restraints and wasteful expenditure, producing poverty to all but the few who divide among themselves the public revenue; but every step in the career of improvement, gives to the people new power to remove restrictions, to limit the power of taxation, and to facilitate the establishment of self-government.

Every measure tending to the promotion of security, tends to

\* Vol. ii., p. 211.

accelerate the establishment of democracy. Thus every extension of the right of suffrage, by increasing the steadiness of government, and preventing war, is invariably found to produce a necessity for further extension. Our author says, "When a nation modifies the elective qualification, it may easily be seen that sooner or later that qualification will be abolished. There is no more invariable rule in the history of society: the further electoral rights are extended, the more is felt the need of extending them; for after each concession, the strength of the democracy increases, and its demands increase with its strength."\* If the effect of extension were increased *disregard* for the rights of others, *producing a tendency to war and increase of expenditure*, we should find every such extension followed by a contraction; but inasmuch as the reverse effect is produced, as increased wealth is always the consequence of political freedom, every step thereto renders a new one necessary. He is therefore of opinion that "it is impossible to believe that equality will not eventually find its way into the political world, as it does every where else,"† and that, "if the men of our time were led by attentive observation and by sincere reflection to acknowledge that the gradual development of social equality is at once the past and future of their history, this solitary truth would confer the character of a divine decree upon the changes. To attempt to check democracy would be in that case to resist the will of God; and the nations would be compelled to make the best of the social lot awarded to them by Providence."‡

On the other hand he says, "In a state where the citizens are nearly on an equality, it becomes difficult for them to preserve their independence against the aggressions of power. No one among them being strong enough to engage singly in the struggle with advantage, nothing but a general combination can protect their liberty: and such an union is not always to be found. From the same social position, then, nations may derive one or other of two great political results; these results are extremely different from each other, but they may both proceed from the same cause."§ Here it is supposed that the

\* Vol. i., p. 67.

† Vol. i., p. 61.

‡ Introduction, p. xxi.

§ Vol. i., p. 62.

same train of causes may produce entirely opposite results—that the same measures that tend to carry into effect the “divine decree” of equality of condition, tend equally to the establishment of the highest degree of inequality—a pure despotism. Had M. de Tocqueville seen that the tendency to equality is the result of a law of the distribution of wealth, in accordance with which the labourer receives, with every increase of production, an increasing *proportion* of the product, and that with that increase there is a steady improvement of his physical and moral condition, accompanied by a constant increase of the confidence reposed by man in his fellow man, producing a tendency to union for the establishment and maintenance of political rights, he would have been satisfied that those causes could never by any possibility tend to the production of inequality.

“European civilization,” says M. Guizot,\* “has, if I may be allowed the expression, at last penetrated into the ways of eternal truth—into the scheme of Providence; it moves in the ways which God has prescribed. This is the rational principle of its superiority.” It moves in the direction of peace and tranquillity—of external and internal order—permitting men gradually to accumulate capital, by which labour is rendered productive—and enabling them to assert equality of political rights. Such is the scheme of Providence, becoming every day more and more manifest; yet “the Christian nations of our age” present to the mind of M. de Tocqueville “a most alarming spectacle.” He thinks that the democratic “impulse which is bearing them along, is so strong that it cannot be stopped, yet not so strong that it cannot be guided; their fate is,” he says, “in their hands; yet a little while,” however, “and it may be so no longer.”† It cannot be stopped, but it may be retarded. Wars, murder, plunder, and desolation—the deterioration of the moral and physical condition of the people—will accomplish that object. It may be accelerated by peace and tranquillity—the growth of wealth—the dissemination of knowledge—and improved moral condition,—and if such be the causes of increase in the

\* History of Civilization, p. 40.

† Democracy in America, Introduction, p. xxii.



democratic power, there would seem to be little cause for the "religious dread" with which a large portion of the people of Europe, as well as our author, contemplate "so irresistible a revolution."\*

M. de Tocqueville is of opinion that, under the system of inequality that prevailed in former times, the "people were content to receive benefits from their chiefs, without discussing their rights. It grew attached to them while they were clement and just, and it submitted without resistance *or servility* to their exactions, as to the inevitable visitations of the arm of God." Mutual exchanges of good will took place between the two classes. "Inequality and wretchedness were then to be found in society; *but the souls of neither rank of men were degraded.*"† In reply to this, we would refer to the horrors of the Jacquerie, to those of the French Revolution, a repetition of which has already become impossible, in consequence of the improved moral condition resulting from a quarter of a century of peace. In the higher walks of life we would urge a comparison of the courts of Louis XIV. and XV. with that of Louis Phillippe. Moral degradation *of all ranks of society*, is the inevitable result of great inequality, and it diminishes with every diminution thereof. To the improved moral condition of France, in a great degree, is it owing that the tendency to equality of rights is at this moment so rapidly increasing.

Although the division of property has lessened the distance which separates the highest and lowest classes of France, M. de Tocqueville does not think that it has tended to produce that feeling of regard which is essential to union of action; on the contrary, he thinks that "the nearer they draw to each other, the greater is their mutual hatred, and the more vehement the envy and the dread with which they resist each other's claims to power." The notion of right is, he thinks, "alike insensible to both classes, and force affords to both the only argument for the present, and the only guarantee for the future."‡ Such is the natural consequence of any violation of the rights of the owners of property, similar to that which France has witnessed in the last half century. The wealth of one portion

\* Democracy in America, Introduction, p. xxi. † Ibid., p. xxv. ‡ Ibid., p. xxix.



of the nation was confiscated for the supposed benefit of another, and it is not extraordinary that such an attempt to establish equality should have failed to establish kindness and good feeling. Had the Convention of 1789 contented itself with securing the maintenance of peace, and the economical administration of the government, wealth would have increased rapidly, the people would have entered gradually upon the exercise of their rights, without interference with those of others, and the equality of condition would be far greater than it now is.

In the United States, on the contrary, every approach to equality has been, and must continue to be, attended by increased community of feeling among the whole body of the people. It is most natural that when men feel that they are perfectly unrestrained in their actions: that if they desire advancement they must labour: that they may apply their labour and their capital in such way as is most likely to be productive: and that, in consequence of this freedom, they find a constant increase in the power of obtaining the necessaries and comforts of life, there should be a much better feeling towards the owner of landed or other capital,\* and towards those who exercise the powers of government, than can exist where every act is restrained: where neither capital nor labour can be freely applied: where exchanges are prohibited by corn-laws: and where severe labour yields but a moderate amount of the necessaries of life.

\* *La société Américaine prenant pour son point de départ le travail, s'appuyant sur l'aisance générale d'un côté, et de l'autre sur un système d'instruction élémentaire commune à tous, et s'avancant avec le principe religieux pour boussole, semble destinée à atteindre un degré de prospérité, de puissance et de bonheur, bien supérieur à ce que nous possédons maintenant avec nos organisations demi-féodales, et avec notre inquiète antipathie pour toute règle morale pour toute autorité.*—Chevalier, *Lettres sur l'Amerique du Nord*, tome i., p. 295.

"An individual obeys the government, not because he is inferior to the authorities which conduct it, or that he is less capable than his neighbours of governing himself, but because he acknowledges the utility of an association with his fellow men, and because he knows that no such association can exist without a regulating force. If he be a subject in all that concerns the mutual relations of citizens, he is free and responsible to God alone for all that concerns himself. Hence arises the maxim that every one is the best and the sole judge of his own private interest, and that society has no right to control a man's actions, unless they are prejudicial to the common weal, or unless the common weal demands his co-operation."—*Democracy in America*, vol. i., p. 80.

The tendency to equality is the result of this perfect security in the enjoyment of the rights of person and property, and exists in precisely the ratio in which they are enjoyed. Such being the case, it is exceedingly difficult to ascertain to what M. de Tocqueville refers, when speaking, as he so frequently does, of a "tyranny of the majority," which is entirely inconsistent therewith. Thus he says, "If ever the free institutions of America are destroyed, that event may be attributed to the unlimited authority of the majority, which may at some future time urge the minorities to desperation, and oblige them to have recourse to physical force."\* If, after reading this, we were to interrogate the writer, we should perhaps find that in no part of the world is authority so limited as in the United States, in none is it so entirely unimportant to an individual whether he belongs to the majority or the minority. Under governments that grant privileges and impose restrictions, it is important to be in favour with the ruling powers; but according to our author, "the citizen of the United States is taught from his earliest infancy to rely upon his own exertions, in order to resist the evils and the difficulties of life; he looks upon the social authority with an eye of mistrust and anxiety, and he only claims its assistance when he is quite unable to do without it."† The more perfect the freedom of trade, of action, and of thought, the less is the power of one portion of the people over another.

In England and France, the majority of the legislature possesses unlimited power; whereas, in the United States, by the adoption of Constitutions, the paramount law of the land, the powers of the legislative bodies are effectually restrained. Every recognition of the existence of rights in *individuals* diminishes the power of the *community* over their actions or their thoughts. Every approach towards freedom of trade or of action, by the abolition of restrictions thereupon, is, in effect, a recognition of rights, and an abridgment of the power of the majority over the minority. In no part of the world is that majority so much restrained in its action as in the United States—in none is so rare the occurrence of any discussion really affecting to any extent the interests of the people—in none do politics, therefore, "so rarely touch those deep passions which are excited when the

\* *Democracy in America*, vol. ii., p. 170.

† *Ibid.*, p. 31.

positive interests of a part of the community is impaired."\* The natural consequence is, that "the general principles of the government are more stable, and the opinions most prevalent in society are generally more durable than in other countries."† Security is more perfectly established, and more effectually maintained.

The only case in which the power of the majority is exercised, is where it refuses to promote to situations of honour, or profit, persons holding opinions adverse to those which it entertains. The political career of such persons is, says our author, closed forever, since they have "offended the only authority which is able to promote their success."‡ It has already been shown that the right of self-government has the effect of diminishing the power of the majority to interfere in the affairs of individuals, and it will be now easy to show that it has a similar effect in diminishing its power over opinion. In France, if an individual chance to be opposed to the existing administration, and be not elected to the Chamber of Deputies, he can scarcely hope to find any other mode of distinguishing himself in the public service, as the prefects and mayors are nominated by the minister, at whose will are held all the places of honour and profit in the kingdom, and enjoyed, as a matter of course, by the majority. In England, the power of the people is greater, and that of the government is less, than in France, and therefore it is easier for the minority to obtain a share of the honours and emoluments of office. The minister may be whig, while the mayor and aldermen of London and Liverpool, Edinburgh and Glasgow, may be tory. In the United States, this is the case to a still greater extent. The man who is in a minority in the federal government, finds himself of the party that controls the action of his state, or if in a minority in his state, he is in a majority in his county or town, and perhaps at Washington. One party divides among itself the offices under the federal government, while the other enjoys the public employments of New York or Pennsylvania. The man who is rejected as governor of a state, or member of Congress, is appointed secretary of state, or minister to France or England, and thus the absence of centralization has a direct tendency

\* Democracy in America, vol. ii., p. 22.

† Ibid., p. 27

‡ Ibid., p. 160.

to diminish the control of the majority over opinion.\* The greater the concentration of power, the more can it influence opinion by the fear of punishment or the hope of reward. The greater its diffusion, the less influence can be exercised, because there are so many sources to which men can look for approbation and reward. In no country is it so universally diffused as in the United States, because each individual, and each small community, exercises power over its own actions: in none does the holding of any particular class of opinions so little tend to deprive individuals of the opportunity of distinguishing themselves in public life.

While the extensive recognition of the rights of individuals tends greatly to diminish the power of the majority to interfere with their actions, or opinions, not less does it tend to diminish the liability to injury from error of action. Our author says that, "a taste for variety is one of the characteristic passions of democracy," and that, in consequence thereof, "an extraordinary mutability has been introduced into their legislation." In support of this view he adduces the opinions of Hamilton, Madison, and Jefferson, written about the time of the adoption of the present Constitution, half a century since. It is not to be doubted that there is some mutability, but neither can it be doubted that greater changes take place in Europe, where the democracy has little influence, and even in Russia, where it has none. The inconvenience that can result from this circumstance is in the precise ratio of the importance of the questions in relation to which it exists. If the movements of the governments of the United States and of England be ex-

\* The time of holding elections for members of Congress is fixed by the legislatures of the several states, and the consequence is that nearly a year and a-half elapses between their commencement and their termination. The various shades of opinion prevalent during that period have, therefore, a chance of being represented, whereas, if the time were fixed by the central government, as is the case in France and England, all would be held at the same moment, perhaps under the influence of temporary excitement produced by the majority—the party in power—for the purpose of influencing the elections. The exercise by the states of the right of self-government, in thus fixing the times for selecting their representatives, has therefore a direct tendency to diminish the power of the majority over opinion, while it tends to produce steadiness in the action of the government, as scarcely any excitement can be maintained during the long period occupied in the renewal of the Congressional delegations.

amined, in regard to the great questions of peace and freedom of trade, we shall find in the former a constant disposition to both, except for one period, when impelled to a contrary course by an incorrect view of the causes of the depression which followed the peace of 1815. In some minor matters there is not the stability of a monarchy, and thus Congress has established two different banks of the United States, and has refused to renew their charters; but in matters of vastly greater moment, the policy of England has been unstable. She has made peace, and has renewed the war, again within a year. She has granted bounties for the export of corn, and has prohibited its exportation. She has granted to the East India Company the control of the trade of India and of China, and has, at two successive renewals of the charter, diminished the privileges of trade, and has now prohibited the Company from engaging therein. If we compare these changes with those of the United States, the latter sink into insignificance. In fact, the powers possessed by the government do not, to any extent, permit its interference in the affairs of individuals, and therefore few can be affected by its acts. To the great mass of the community it is, so far as regards their pecuniary interests, of not the slightest importance which party is in power, as the policy of the government is fixed, and, except in a few matters, comparatively unimportant, cannot be changed.

In France, unfortunately, stability is unknown. Louis XVIII. succeeded to Napoleon, and Louis Phillippe to Charles X. M. Thiers succeeds M. de Broglie, and M. Guizot succeeds M. Thiers. New administrations succeed each other at intervals of three, four, or six months. Louis Phillippe usually controls their operations, and but for him, there would be a constant change of measures; but there is no security for the continuance of his life, or for the durability of his opinions. There is no guarantee for the permanence of any system, as the king may at any moment change the whole policy of the nation, while in the United States no change can take place until a majority of the nation shall have been convinced of its propriety.

The tendency to equality in fortune, produced by the distribution of property, is thought by M. de Tocqueville to produce a similar tendency in regard to the intellect. He says, "In America most of the rich men were formerly poor; most of those who

now enjoy leisure were absorbed in business during their youth; the consequence of which is, that when they might have had a taste for study they had no time for it, and when the time is at their disposal, they have no longer the inclination. There is no class, then," he says, "in America, in which the taste for intellectual pleasures is transmitted with hereditary fortune and leisure, and by which the labours of the intellect are held in honour. Accordingly," he continues, "there is an equal want of the desire and the power of application to these objects. A middling standard is fixed in America for human knowledge. All approach as near to it as they can; some as they rise, others as they descend. \* \* \* America, then, exhibits in her social state a most extraordinary phenomenon. Men are there seen on a greater equality in point of fortune and intellect, or, in other words, more equal in their strength, than in any other country of the world, or in any age of which history has preserved the remembrance."\*

For centuries past there has been in Great Britain a constantly increasing tendency to equality of physical, moral, and political condition, and it exists at the present moment to a greater extent than at any previous one. The influence of the men of "hereditary fortune and leisure," has been gradually diminishing, while that of the men who "were formerly poor"—of those who "were absorbed in business in their youth"—has as steadily increased; yet we find no diminution of intellectual activity—no diminution of disposition to promote the cause of learning or science—no diminution of patronage of the arts. On the contrary, we see the cultivators of science increasing from tens to hundreds and thousands, and the purchasers of pictures and of books increasing in like manner. The Royal Society is almost superseded by the Geological, the Linnæan, the Astronomical, the Geographical, the Zoological, and other societies, all of which display a degree of zeal in the pursuit of knowledge unknown at the time when the men of "hereditary fortune and leisure" exerted a great degree of influence upon society.

If we look to France, we see a similar state of things. The generations that enjoyed hereditary fortune have passed away,

\* *Democracy in America*, vol. i., p. 60.

and are succeeded by that in which every man is compelled to exert his energies, in which talent occupies that space in the public eye that formerly belonged to rank. The time has passed when it was necessary to apply at the herald's office for certificates of ability to serve one's country in the field, or in the cabinet, and we now see Cuvier, Thiers, Guizot, Lafitte, Casimir Perrier, and Dupin, filling the highest offices of the state.

When the action of a community is governed by the people themselves, we observe every movement tending to increase the comfort, the gratification, and the instruction of the many: when it is governed by an individual, or by a few individuals, every movement tends to increase the comfort, gratification, and instruction of the few, while the many are in a great degree neglected. In the first case we observe the people making common roads, building houses and barns, and erecting common schools, while in the latter the same labour is employed in making *routes royales*, erecting palaces, and endowing universities. In the one case, labour is expended in building a *pyramid*, the base of which increases with every addition to its height, while in the other the same labour is applied to the erection of a *column*, which, in a given time may attain a greater elevation, but of which the ultimate height is limited by natural laws. It is impossible to fix limits to the cultivation of arts, science, or literature in the one, while in the other, century after century may pass almost without change. The United States began with common schools. They have now erected colleges so numerous, that a college education is within the reach of those possessed even of very limited means. Lyceums and institutes for instruction in various departments of science abound. Every year adds to the facilities of obtaining knowledge, and every year the universities are enabled to raise the standard required for admission. The pyramid rises in height and widens at its base daily. Is it then to be doubted that the cultivation of letters and of science, and the patronage of art, will be carried to as high a point as in any other part of the world? It is not. The only real cause of surprise is to be found in the wonderful extension of the means of education in the last fifty years, when compared with what has occurred in other nations.

The kings of France built palaces, but a large portion of the people yet live in hovels. They made great roads for the pass-



age of themselves and their armies, but the lesser roads are yet in a state of nature, and impassable in winter. They erected universities, but the mass of the nation have no schools. Those universities have given to the world men of letters, whose productions were sealed books to the mass of their countrymen, and philosophers whose discoveries were useless to the nation, because the people were not sufficiently advanced to profit by them. They erected the column, and to support it, they now desire to surround it by common schools, and thus form the pyramid. Had they commenced with them, it is difficult to imagine the height at which the intellectual character of the nation might now have arrived.

In England we find fewer palaces than in France, but the people are better lodged. The great roads are not maintained by government, but the small ones are kept in good order. The universities are not supported out of the taxes, and the consequence is, that a large portion of the people are enabled to obtain education. To a much greater extent than in France has the system resembled that of the United States; and it is now desired to give it a much closer resemblance, by establishing common schools. With every extension of that system, there must be increase of intellectual activity in the nation, and increased disposition to cultivate literature, science, and the arts; and with intellectual improvement there must be a daily increasing knowledge of the existence of rights, and daily increasing power to maintain them. Political freedom is the necessary consequence of increased productive power, and improvement of physical, moral, and intellectual condition; and with every extension of political rights, there is an increased tendency to further intellectual improvement.

Our author says, that if it be deemed expedient to divert the moral and intellectual activity of man to the production of comfort, and to the acquirement of the necessaries of life, giving them habits of peace, and producing general prosperity; giving to each individual the greatest degree of enjoyment, and the least degree of misery; there can be no surer means of satisfying such desires, than "by equalizing the condition of man, and establishing democratic institutions."\* If, however, "it be your intention to confer a certain elevation upon the human mind, and to teach it to regard the things of this world with generous feelings; to inspire men with a scorn of mere temporal advantage; to give birth to living convictions, and to keep alive the spirit of honourable devotedness; if you hold it a good thing to refine the habits, to embellish the manners, to cultivate the arts of a nation, and to promote the love of poetry,

\* Democracy in America, vol. ii. p. 142.



of beauty, and of renown; \* \* \* you must avoid the government of democracy, which would be a very uncertain guide to the end you have in view."\* Very little study is sufficient to show that, with the increase of wealth, and the general improvement of condition, the human mind attains a higher elevation—that the things of this world are regarded with more generous feelings—that men are more disposed to devote themselves to the accomplishment of any object tending to benefit the human race†—that there is a higher degree of refinement, and a greater disposition to cultivate the arts—and yet every increase of wealth is attended by an increasing tendency to democracy. The "spirit of honourable devotedness"—"the disposition to cultivate the arts," and to promote the love of that "renown" which results from successful efforts at improving the condition of man—prevails in England to a greater degree than in any other part of Europe, yet in none has there been so near an approach to equality of rights—in none is the tendency to perfect equality so great—in none is its early accomplishment so certain.

The causes which contribute to the maintenance of the democratic republic in the United States are, according to our author, reducible to three heads, viz.‡

I. The peculiar and accidental situation in which Providence has placed the Americans.

II. The laws.

III. The customs and manners of the people.

There is nothing peculiar in the situation in which the people are placed. That of the Spanish provinces of South America, of Mexico and Guatimala, is precisely similar, yet they cannot establish democratic institutions. Their growth was restrained by laws which forbade the exercise of the rights of person or of property, and the consequence was, that when they threw off the yoke of Spain, they were totally unfit to govern themselves. Instead of uniting together, as did the thirteen provinces of North America, they have been incessantly engaged in making war upon each other. Buenos Ayres and Chili, Chili and Peru, Peru and Bolivia, Montevideo and Buenos Ayres, are constantly endeavouring to see which shall do each other most harm—they have prevented the accumulation of wealth, and the improvement of physical and moral condition, without which there can be no improvement of political condition. Had Massachusetts and Connecticut, Virginia

\* Democracy in America, vol. ii. p. 141.

† The reader may compare the influence upon the feelings exercised by the systems of France and the United States, by reference to chapter xiii. of our second volume.

‡ Democracy in America, vol. ii. p. 202.

and Maryland, South Carolina and Georgia, been unceasingly at war with each other, there could have been no democracy in America. Perceiving this fact, M. de Tocqueville says that the laws and manners are the "efficient causes."

With every improvement in the condition of the people of England, we see a disposition to change all those laws which tend to the maintenance of inequality. Laws thus vary with, and are evidences of, public opinion. Public opinion varies with moral condition. Moral condition with physical condition. Physical condition is dependent upon the increase of wealth. To say that laws exist which favour the establishment of equality of political rights, is to say that there is a constant increase of the productive power, accompanied by a constant improvement of physical, moral, and intellectual condition, and that the people are gradually becoming more and more sensible of the advantage resulting from perfect security of person and property, and of the necessity of granting it to others if they desire it for themselves.

The manners of a people are dependent upon the increase or decrease of wealth. In the first case we find a constantly increasing tendency to independence of feeling, and harmony of action, such as is observed by M. de Tocqueville to exist in America.\* Men observe "the connexion of public order and public prosperity," and they learn "that one cannot subsist without the other,"† whereas, in the second, they find themselves becoming daily more dependent, and are daily less disposed to unite with their fellow men for the maintenance of public order, and daily more and more disposed to obtain by force those necessities or comforts of life which labour will not produce.

In the outset, our author informs his readers that equality of condition is the fundamental fact from which all others seem to be derived, "giving a certain direction to public opinion, and a certain tenor to the laws; by imparting new maxims to the governing powers, and peculiar habits to the governed."‡ He now says, that the laws and manners thus produced are the "efficient causes" of the maintenance of the democratic system.

A system which establishes perfect equality of political condition, securing to each individual uncontrolled exercise of his

\* Democracy in America, vol. ii., p. 215.

† Ibid., p. 219.

‡ Ibid., Introduction, p. xiii.

own rights of person and property, producing a habit of freedom and a necessity for abstaining from interference with the exercise by others of those rights which he desires for himself, is a democracy. To say that the existence of equality is the cause of the continuance of democracy, is precisely similar to asserting that the existence of wealth is the cause why people continue wealthy. Yet such is the result at which we must arrive, if we assume equality of condition as a "fundamental" fact, instead of considering it as a consequence of some pre-existing fact, as it is. By prudence and industry, individuals are enabled to accumulate capital to be employed in aid of their labour; and by the maintenance of peace and cheap government, communities are enabled to increase their numbers, their capital, and their productive power, with a constant tendency to equality of political condition—or self-government. Here we have the "fundamental" causes of the increase of wealth among individuals, and of the growth of democracy in communities.

M. de Tocqueville deems it a question not "of easy solution, whether the aristocracy or democracy is most fit to govern a country."\* That question we leave to our readers to solve. All we desire to do is, to show them that the democratic form is that towards which all nations tend, as they improve in their physical and moral condition. Nature, therefore, points to it as that at which all nations must eventually arrive, and as that which will be accompanied by the greatest development of the moral and intellectual powers of man.

We have thus offered our opinions of some of the views of M. de Tocqueville. His work is certainly an extraordinary one, when we consider the brief time that was occupied in the inquiries which led to its publication; but he has, we think, fallen into numerous errors, some of which we have now pointed out. We feel satisfied that if he had, with his powerful mind, spent half a dozen years in the United States, making himself master of the working of the system, instead of depending upon the observations of individuals much less qualified than himself to form correct opinions, he would have produced a very different book. Had he done so, he would have perceived that the "fundamental" facts at the base of the whole system, are peace, rapid increase of capital and of production, and an equally rapid increase in the labourer's *proportion*, tending constantly to *improvement and equality* of physical, moral, intellectual, and political condition.

\* Democracy in America, vol. ii., p. 30.

## CHAPTER IX.

## CONCLUSION.

THE following propositions embrace the several points which we have endeavoured to establish.

I. That mankind tend to increase in numbers, and that under favourable circumstances they may double in from twenty-five to thirty years.

II. That there is a tendency to the accumulation, by each generation, of capital, in the form of houses, farms, canals, rail-roads, and other machinery, for the benefit of that which is to succeed it, and that, when not prevented by human interference, there must be a steady increase in the ratio of capital to population, as we know to have been the case, although in different degrees, in England, Scotland, France, the United States, and other countries, for centuries past.

III. That each successive generation should therefore be enabled to apply its labour more advantageously than that which preceded it, gradually substituting coal drawn from the bowels of the earth for the wood which before had been taken from the surface—iron and steel for flint—rail-roads and canals for horse and mule paths—ships and steamboats for canoes—the cotton of India and America, and the silk of China, for the skin of the ox and the sheep—the spinning-jenny and the power-loom for the distaff and hand-loom—and the power of the steam-engine for that of man—bringing into action those soils which, from difference of situation, or of quality, had been deemed inferior, and with each successive substitution diminishing the severity of labour, while increasing its reward.

IV. That the power of cultivating the soils that from quality were deemed inferior, and obtaining therefrom a constantly increasing supply of the necessities and conveniences of life

from any given surface, tends to enable men to associate themselves together, and to combine their exertions for the increase of production and for mutual protection, thus rendering their labour more productive, and promoting the further increase of capital.

V. That the increased facility of communication enables them to extend themselves over lands that by distance were rendered inferior, thus increasing the surface occupied, at the same time that population becomes more dense near the centre of capital, and that every such extension tends to increase the productiveness of labour, and the facility of accumulating further capital.

VI. That every increase in the ratio of capital to population, is attended with an increase in the ratio which the value of labour bears to that of capital, and the labourer is consequently enabled to retain a *constantly increasing proportion* of the product of his labour, leaving to the owner of landed or other capital a *constantly diminishing proportion*.

VII. That notwithstanding his diminution of *proportion*, the capitalist obtains for the use of any given capital, a constantly increasing *quantity* of the commodities necessary for his subsistence and enjoyment, and for the further increase of his capital.

VIII. That both labourer and capitalist are consequently enabled to improve their *physical* condition, thereby producing a tendency to a more rapid increase of population, and a more intimate association for the purpose of increasing production, or of maintaining security.

IX. That with the increase of population and capital, there is a constant diminution in the *proportion* of the labour of a community, or of the proceeds thereof, required for the maintenance of security, which becomes daily more perfect. Labour becomes more productive, while there is a constant increase in the *proportion* of the product that is left for division between the labourer and the capitalist.

X. That with every increase of security, man is enabled more distinctly to perceive the advantage and propriety of respecting the rights and feelings of others, if he desire them to respect his own, and that the increased habit of association for mutual

protection tends to increase the necessity for so doing: while the increased productiveness of labour offers a constantly increasing inducement to apply himself to obtain, by honest industry, the commodities necessary for his subsistence, and for the accumulation of capital; and that thus is produced a constant improvement of *moral* condition, tending to diminish still further the cost of maintaining security.

XI. That the increase in the labourer's proportion tends to produce a more rapid improvement in his condition than in that of the owner of capital—to diminish the distance between them—and to enable him to become himself a capitalist.

XII. That, consequently, with every increase of wealth we find a change in the relative positions of the labourer or the mechanic—the lawyer or the artist—and the mere capitalist, the former occupying a more, and the latter a less, prominent position in society: the former taking a larger, and the latter a smaller, *proportion* of the proceeds of their combined exertions: the former experiencing a constantly increasing facility for passing from the ranks of labourers or mechanics to that of capitalists, and for applying his talents and capital to promote his further advancement. Every increase of the productive power tends, therefore, to increase the proportion which the architects of their own fortunes bear to those who have inherited fortune, and with every such increase there is a tendency to the improvement and equality of the *moral* condition of all classes of society.

XIII. That the diminished proportion which the value of capital bears to that of labour, and the constant approach to equality of condition, tend to render it necessary for the capitalist to apply his time and talents to production, while it is attended with a constant increase in the value of such talent, offering a constantly increasing inducement to its exertion, and producing a constantly increasing facility for the further accumulation of capital, and further improvement of physical, moral, and intellectual condition. The more rapid the increase of the productive power, the smaller, therefore, is the *proportion* which the unproductive bear to the productive classes.

XIV. That the labourer and mechanic are, by the hope of rising, stimulated to the improvement of their *intellectual* condi-

tion, and that the constant increase in their *proportion* of the constantly increasing product of labour, enables each generation to devote a constantly increasing amount of time and of capital to the improvement of the mind. That, consequently, there is, with the increase of population, a constant increase in the *proportion* who read, and a rapid increase in the reward of authors—in the lovers of the arts, and in the reward of artists. The prospect of wealth and distinction thus tends to give additional stimulus to exertion on the part of the labourer, while the necessity therefor on the part of the capitalist, if he would maintain his position in society, is daily increasing. Increase of the productive power is therefore necessarily accompanied by a tendency to improvement and equalization in the *intellectual* condition of all classes of society.

XV. That every diminution in the *proportion* retained by the owner of landed or other capital, tends to diminish his power to command the services of labourers, whether to be employed in the business of production, or in the maintenance of power over the actions of his fellow men, while the attendant improvement of moral condition tends to diminish the disposition to exercise that power.

XVI. That every increase of the labourer's *proportion* being attended with improved intellectual condition, he is enabled more fully to understand and to appreciate his right to equal security of person and property—to the control of his own actions and the disposition of his own property—while his improved physical and moral condition enables him more advantageously to assert it, and that there is, therefore, with the increase of wealth, a constant tendency to equality of *political* condition, and to the establishment of the right of self-government.

XVII. That every increase of population being, when not prevented by human interference, accompanied by an increase in the ratio of capital to population, there is a constant tendency to the improvement and equality of physical, moral, intellectual, and political condition, to the further growth of population and capital, and to the further improvement of condition.

Such has been the course of events in those countries in which men have cultivated peace and good will among themselves and with their neighbours, and permitted population

and capital to increase, but unfortunately a large portion of the world has been employed in robbing and plundering each other, thus keeping themselves in a state of poverty, vice, ignorance, and slavery, when they should be free, virtuous, and intelligent. The few have thereby been enabled to indulge their ambition, their vanity, and their desire of distinction, at the expense of the many. Well may it be said that "God made man upright, but they have sought out many inventions."\*

The whole science of Political Economy may be reduced to a single line—

DO UNTO OTHERS AS YE WOULD THAT OTHERS SHOULD DO UNTO YOU.

An examination of the history of the human race, and careful reflection, would satisfy—

SOVEREIGNS, that the maintenance of peace and a studious observance of the rights of their neighbours, enabling the community over which they preside to increase in numbers and wealth, and in their productive power, would be attended with more *permanent* advantage to themselves and to their families than could be derived from impoverishing their subjects for the purpose of bringing new provinces under their dominion.

NATIONS, that every invasion of the rights of their neighbours—every expenditure for the maintenance of offensive war—must be attended with a diminution in the facilities for producing the commodities required for their own support, convenience, or enjoyment, and, consequently, with a deterioration of physical and moral condition—producing poverty, immorality, and ignorance, and enabling those charged with the administration of public affairs to take an increased proportion of the produce of their labour, and to exercise increased control over their actions, thus deteriorating their political condition.

LEGISLATORS, that the mode in which they can secure to their constituents universal prosperity, is to refrain from every measure tending to impair the right of individuals to determine for themselves the mode of employing their time and their property—and to exert themselves to diminish the demands of the government upon the produce of labour, as no government uses

\* Ecclesiastes.



capital so advantageously as it would be used by those from whose pockets it is taken.

OWNERS OF LANDED AND OTHER CAPITAL, that every interference with the rights of their fellow citizens—every diminution in the perfect security of the rights of person and property—every monopoly or privilege—tends to diminish the power of production, and the *quantity* of commodities falling to their share, and consequently to impair their power of accumulation.

LABOURERS, that every interference with the rights of others—whether by war abroad, or riot and destruction at home—by restricting foreigners or their fellow citizens in their right freely to exchange the product of their labour—by restraining the employment of capital or of labour—tends to diminish not only the *quantity* of commodities produced, but their own *proportion* of that diminished quantity—to diminish their power of accumulation—their control over their own actions, and over those of the persons charged with the administration of the government—and thus to impair their power of improving their physical, moral, intellectual, and political condition.

FREEMEN, that if they desire improvement of political condition for any portion of the human race, whether of their own or of any other nation, their object will be best accomplished by uniting in every measure tending to increase the value of their labour, and by avoiding every thing tending to incite them to rebellion or revolution, war and massacre, or in any other way to lessen the perfect security of person and property.

ADVOCATES OF FREE TRADE, that in the endeavour to improve the action of the community of which they are members, they should always recollect that it has been by the previous action of the community itself that labour and capital have been forced into various branches of production, and that justice, as well as the interest of the nation at large, requires that all changes be gradual, in order that the desired improvement be attained with the least destruction of existing capital.\* By such action

\* The advantage of gentle and gradual action, even in making improvements, is so well stated in the following passage, that we are induced to offer it to the consideration of the reader.

“The wisest and most efficient reformers, and those whose works last the longest, are they who, like the framers of our General and State Constitutions, build on the old foundations. Their works have not the systematical beauty of

will the end, that of increasing the productiveness of labour, be most speedily, safely, and advantageously accomplished.

DISCIPLES OF MR. MALTHUS, that obedience to the laws of God is attended with a rapid increase of population, and still more rapid increase of capital, enabling men to bring into activity the inferior soils, with a constantly increasing return to

the wholesale reformer, but they prove far more convenient for all the varied uses of society.

"A great German poet (Schiller,) has embodied this truth in noble and philosophical imagery. The path of mere power to its object, says he, is that of the cannon ball, direct and rapid, but destroying every thing in its course, and destructive even to the end it reaches. Not so the road of human usages, which is beaten by the old intercourse of life; that path winds this way and that, along the river or around the orchard, and securely, though slowly, arrives at last to its destined end. 'That,' says he, 'is the road on which blessings travel.'

"The same general truth may be often seen exemplified in our republican legislation. There is a legislation, altering, reforming, innovating; but all upon deliberate investigation, slow and cautious inquiry, and consultation in every quarter where light and knowledge may be gained. There is also the legislation of mere theory—sometimes the theory of the mere closet speculative reasoner—much oftener that of another sort of theorist, who calls himself a practical man, because he infers his hasty, general rules from his own narrow, single experience, (narrow, because single) as a judge, a lawyer, or a legislator. Such legislation, when it prescribes great and permanent rules of action, resembles the rail-road of the half learned engineer, who runs it straight to its ultimate end, over mountain and valley, through forest and morass. Disregarding alike the impediments of nature and the usages and wants of human dealings, he attains his end by the shortest way, but at immense expense, with an utter disregard of private right and public convenience.

"A wiser and better way is that which, in adopting the improvements of modern science, applies them skilfully in the direction that experience has found to be the most easy, or which time, or custom, or even accident has made familiar, and therefore convenient. That road winds round the mountain and skirts the morass, turns off to the village or the landing place, respects the homestead and the garden, and even the old, hereditary, trees of the neighbourhood, and all the sacred rights of property. That is the road on which human life moves easily and happily—upon which 'blessings come and go.'

"Such may we make that road on which justice shall take its regular and beneficent circuit throughout our land—such is the character we may give to our jurisprudence if we approach the hallowed task of legal reform in the right spirit—if we approach it not rashly but reverently—without pride or prejudice—free alike from the prejudice that clings to every thing that is old, and turns away from all improvement; and from the pride of opinion that, wrapped in fancied wisdom, disdains to profit either by the experience of our own times, or the recorded knowledge of past generations."—*Verplanck. Speech on Judicial Reform.*

labour; and that war, with its attendant crime and misery, tends to keep subsistence below population, instead of keeping population down to subsistence. Such being the case, they may be content to leave to their successors to avail themselves of the remedies, positive and preventive, against over-population, whenever they shall be satisfied of their necessity.

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In opposition to those who define political economy to be the science of wealth, or of exchanges, we have defined it as that "which treats of those phenomena of society which arise out of the desire of mankind to maintain and to improve their condition." This definition appears to cover a much wider field than the other, yet every matter of which we have treated would necessarily be brought into view, were our object only to show the causes which influence the production and distribution of wealth. Increased capital facilitates production and promotes the growth of population, while it enables men to live in closer connexion, and to combine their exertions for the increase of wealth. Increase of wealth affects the mode of distribution, and thence results change of political condition, and men enter upon the secure enjoyment of their rights of person and property. Improved political condition enables them to exercise their own judgment in the employment of their labour and capital, tending to render both more productive, thus facilitating the further improvement of physical and moral condition. Here, in the moral world, is a chain of circumstances as dependent upon, and as necessary to each other, as can be the members of any series in the physical world. Heat causes evaporation. The inferior specific gravity of vapour causes ascension. Cold causes condensation, and gravity returns to the earth the fluid necessary for the support of animal and vegetable life. To omit, in a treatise of political economy, any portion of the series which we have embraced in this work, would be similar to an investigation of the laws of fluids, omitting the consideration of evaporation or condensation. The one cannot continue to take place without the other, neither can there be a steady increase of productive power unaccompanied by physical, moral, intellectual, and political improvement, each tending to increase the facility of obtaining further wealth: nor can improvement

of condition take place without increase in the power of production. They are as necessary to each other as evaporation and condensation.

The happiness of society is dependent upon its moral, physical, and political condition, yet it is denied that the political economist should concern himself with the happiness of nations—with human welfare\*—the subject to be treated of being wealth solely. By another writer it is asserted,† that “the science of wealth may just as frequently lead to what will injure, as to what will benefit the human race.” It is therefore believed that the laws of political economy afford rules that cannot be used as “the sole, or even the principal guides in the conduct of affairs.”‡ Our object, on the contrary, has been to show that those laws are exceedingly simple: that a compliance with them can never lead to the adoption of any measure that would not be dictated by an enlightened self-interest, while their study must tend to diminish selfishness, by showing that our interests are so interwoven with those of our fellow men, that injury to them is necessarily accompanied by injury to ourselves: that they are universally true and universally applicable, and that their universal adoption would be attended by a rapid improvement of physical, moral, intellectual, and political condition, increasing the happiness and prosperity of nations, giving them a constantly increasing facility for the further accumulation of wealth, and further improvement of condition. We leave the reader now to judge between the two definitions, and to determine for himself whether or not the happiness and welfare of nations come within the sphere of the political economist.

\* Senior. Outline of Political Economy, p. 129.

† Scrope, quoted *ante*, p. 205.

‡ Senior. Outline of Political Economy, p. 130.



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